

CITY OF LEON VALLEY, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED SEPTEMBER 30, 2019



**OFFICIALS ISSUING REPORT**

Kelly Kuenstler  
City Manager

Vickie Wallace  
Director of Finance



CITY OF LEON VALLEY, TEXAS  
TABLE OF CONTENTS  
SEPTEMBER 30, 2019

**INTRODUCTORY SECTION**

|                                       | <u>PAGE</u> |
|---------------------------------------|-------------|
| LETTER OF TRANSMITTAL.....            | ii          |
| GFOA CERTIFICATE OF ACHIEVEMENT ..... | v           |
| PRINCIPAL OFFICIALS .....             | vi          |
| ORGANIZATIONAL CHART .....            | vii         |

**FINANCIAL SECTION**

|  |    |
|--|----|
| INDEPENDENT AUDITOR'S REPORT .....   | 2  |
| MANAGEMENTS DISCUSSION AND ANALYSIS.....   | 5  |
| BASIC FINANCIAL STATEMENTS .....   | 14 |
| STATEMENT OF NET POSITION .....  | 15 |
| STATEMENT OF ACTIVITIES .....  | 17 |
| BALANCE SHEET – GOVERNMENTAL FUNDS .....   | 19 |
| RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE<br>STATEMENT OF NET POSITION.....  | 21 |
| STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –<br>GOVERNMENTAL FUNDS .....  | 22 |
| RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES<br>IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES ..... | 24 |
| STATEMENT OF NET POSITION - PROPRIETARY FUNDS .....  | 25 |
| STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -<br>PROPRIETARY FUNDS .....   | 27 |
| STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS .....  | 28 |
| NOTES TO BASIC FINANCIAL STATEMENTS .....  | 30 |
| REQUIRED SUPPLEMENTARY INFORMATION .....   | 58 |
| SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –<br>BUDGET AND ACTUAL GENERAL FUND .....   | 59 |
| SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –<br>BUDGET AND ACTUAL - STREET MAINTENANCE TAX FUND .....                          | 64 |
| NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF REVENUES,<br>EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL .....          | 65 |
| SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS .....   | 66 |
| SCHEDULE OF CITY CONTRIBUTIONS AND RELATED NOTES .....   | 67 |
| SCHEDULE OF CHANGES – TOTAL OTHER POST-EMPLOYMENT BENEFIT LIABILITY<br>AND RELATED NOTES .....   | 69 |
| SUPPLEMENTARY INFORMATION.....   | 70 |
| COMBINING BALANCE SHEET - NONGOVERNMENTAL FUNDS .....  | 71 |

CITY OF LEON VALLEY, TEXAS  
TABLE OF CONTENTS (CONTINUED)  
SEPTEMBER 30, 2019

**FINANCIAL SECTION (CONTINUED)**

|   |    |
|---|----|
| COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS.....            | 73 |
| SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - COMMUNITY CENTER FUND .....          | 75 |
| SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - GRANTS FUND.....                     | 76 |
| SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - CRIME CONTROL PREVENTION FUND .....  | 77 |
| SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - CHILD SAFETY FUND .....              | 78 |
| SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - STATE POLICE FORFEITURE FUND .....   | 79 |
| SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - FEDERAL POLICE FORFEITURE FUND ..... | 80 |
| SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - BUILDING SECURITY FUND .....         | 81 |
| SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - COURT TECHNOLOGY FUND .....          | 82 |
| SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - DEBT SERVICE FUND .....              | 83 |

**STATISTICAL SECTION**

|   |     |
|---|-----|
| NET POSITION, BY COMPONENT .....                                    | 85  |
| CHANGE IN NET POSITION .....  | 87  |
| FUNDBALANCES - GOVERNMENTAL FUNDS.....                              | 91  |
| CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS .....                  | 93  |
| TAX REVENUE BY SOURCE – GOVERNMENTAL FUNDS .....                    | 95  |
| ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY ..... | 96  |
| DIRECT AND OVERLAPPING PROPERTY TAX RATES.....                      | 97  |
| PRINCIPAL PROPERTY TAX PAYERS .....                                 | 98  |
| PROPERTY TAX LEVIES AND COLLECTIONS .....                           | 99  |
| WATER SOLD BY TYPE OF CUSTOMER.....                                 | 100 |
| WATER AND SEWER RATES.....  | 101 |
| TAXABLE ASSESSED VALUE .....  | 102 |
| RATIOS OF DEBT OUTSTANDING BY TYPE.....                             | 103 |
| RATIOS OF GENERAL BONDED DEBT OUSTANDING .....                      | 104 |
| DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT .....           | 105 |
| DEBT MARGIN INFORMATION .....                                       | 106 |
| PLEDGED REVENUE COVERAGE .....                                      | 107 |
| DEMOGRAPHIC AND ECONOMIC STATISTICS .....                           | 108 |
| TOP TEN PRINCIPAL EMPLOYERS .....                                   | 109 |
| FULL-TIME EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION .....  | 110 |
| OPERATING INDICATORS BY FUNCTION/PROGRAM .....                      | 111 |
| CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM .....                  | 113 |

CITY OF LEON VALLEY, TEXAS  
TABLE OF CONTENTS (CONTINUED)  
SEPTEMBER 30, 2019

**COMPLIANCE SECTION**

|   |     |
|---|-----|
| REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE<br>AND OTHER MATTERS BASED ON AND AUDIT OF FINANCIAL STATEMENTS<br>PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARD</i> ..... | 116 |
|---|-----|



## INTRODUCTORY SECTION



February 3, 2020

The Honorable Mayor, Members of City Council  
and Citizens of the City of Leon Valley:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2019.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive frame-work of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City of Leon Valley financial statements have been audited by Armstrong, Vaughan and Associates, P.C., a firm of licensed certified public accountants. They have issued an unmodified “clean” opinion on the City of Leon Valley’s financial statements for the year ended September 30, 2019. The independent report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## PROFILE OF THE GOVERNMENT

The City, incorporated in 1952, is a residential community located in south central Texas in the northwest portion of the San Antonio Metropolitan Statistical Area. The City is located in Bexar County, Texas. Bexar County’s economy is based on military, tourism, agriculture, limestone mining, medical facilities, and manufacturing. The City has a land area of 3.5 square miles and is surrounded on all sides by the City of San Antonio. Most City residents are employed within the greater San Antonio Metropolitan Statistical Area. A full range of services is provided to residents and businesses, including police and fire protection, construction and maintenance of streets and infrastructure, recreational activities, and water and sewer utilities. The City population based upon the 2010 census is 10,866. The City is empowered to levy a property tax on both real and personal property located within its boundaries. The City’s property tax rate is average compared to the rest of Bexar County.

6400 El Verde Road  
Leon Valley, Texas 78238  
O (210) 684-1391  
[www.leonvalleytexas.gov](http://www.leonvalleytexas.gov)



The City is operated under the council-manager form of government. Policy making and legislative authority are vested in the City Council, which consists of a Mayor and a five-member Council. The Council is elected on a non-partisan basis at large. Council members are elected to two-year staggered terms. The Mayor is elected at large to a two-year term. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and the hiring of a City Manager. The City Manager is responsible for carrying out the policies and ordinances of the governing Council, overseeing the day-to-day operations of the City, and appointing the heads of the City's departments.

The City maintains extensive budgetary controls. The objective of these controls is to ensure the proper safeguarding of City assets, compliance with State budgetary statutes and compliance with legal provisions embodied in the annual budget approved by the City Council. Activities of the General Fund, Debt Service Fund, Water and Sewer (Enterprise) Fund, Community Center Fund, Building Security Fund, Child Safety Fund, Municipal Court Technology Fund, Street Maintenance Tax Fund, Police Forfeiture Fund, Grant Fund, and Crime Control and Prevention District are included in the City's annual budget.

The annual budget serves as the foundation for the City of Leon Valley's financial planning and control. Generally, the City has a policy of funding current year operating expenditures with current operating revenues. Capital purchases are funded from the Unassigned Fund Balance. All agencies of the City of Leon Valley are required to submit requests for appropriation to the City Manager on or before the first week in May each year. The City Manager then presents this proposed budget to the Council for review in August. The Council is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than September 30, the close of Leon Valley's fiscal year.

The City has adopted financial policies for budgetary control that is stricter than is required by law. The appropriated budget is prepared by fund, department (e.g. police), and function (e.g. patrol). Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 59-62 as required supplemental information for the governmental funds.

## LOCAL ECONOMY

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Leon Valley operates.

The City of Leon Valley's property values have demonstrated an increase over the last few years. The region's leading industries, in terms of gross sales for the City, are auto dealers/gasoline service stations and food stores. A significant portion of sales for these businesses is not subject to local sales taxes.

## LONG-TERM FINANCIAL PLANNING

In FY 2011 the City implemented GASB 54 Fund Balance Reporting and Governmental Fund Type Definitions and formally adopted a Fund Balance Policy. The Fund Balance Policy adopted by the City is the framework upon which consistent operations may be built and sustained. For man-made or natural disaster emergencies the City will strive to have a Committed Fund Balance that is equal to three months operating expenses based on the current operating budget. For the fiscal year that ended September 30, 2019, the Committed Fund Balance was \$1,000,000.

The City also maintains a ten-year Capital Acquisition Plan (CAP) to provide for capital outlay expenditures. Each fiscal year, the CAP is reviewed and analyzed by the City Manager and City staff to determine needs for office and other machinery and equipment, vehicles, buildings and building improvements, land, and other improvements. The ten-year CAP is authorized by City Council during the City's annual budget adoption process. As items are funded only when deemed necessary, capital outlay details and amounts vary between budget years. The plan is funded from the Unassigned Fund Balance.

#### AWARDS AND ACKNOWLEDGMENTS

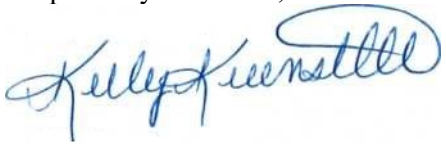
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Leon Valley for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2018 with the highest standards for the preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

We would like to extend our sincere thanks and appreciation to the Finance Department, and all City staff and department heads who helped in the preparation of this report. A special thanks goes to our Mayor and City Council for their strong leadership and support, their sense of civic duty and responsibility, and their diligence in conducting the operations of the City in a responsible and progressive manner.

Respectfully submitted,



Kelly Kuenstler  
City Manager



Vickie Wallace  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Leon Valley  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

*Christopher P. Morrill*

Executive Director/CEO

CITY OF LEON VALLEY, TEXAS  
PRINCIPAL OFFICIALS  
YEAR ENDED SEPTEMBER 30, 2019

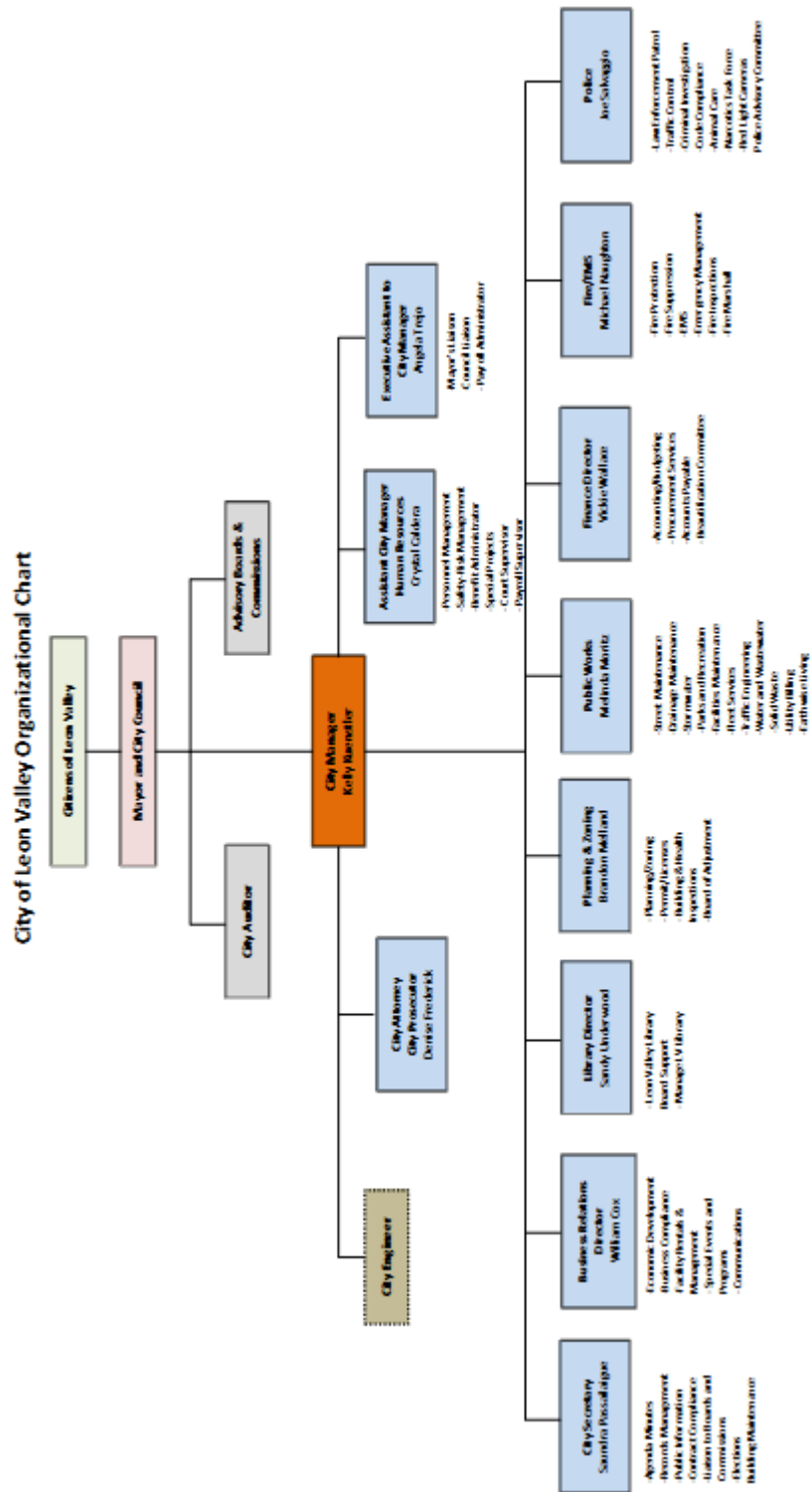
**ELECTED OFFICIALS**

|                       |                     |
|-----------------------|---------------------|
| MAYOR                 | CHRIS RILEY         |
| CITY COUNCIL, PLACE 1 | DONNA CHARLES       |
| CITY COUNCIL, PLACE 2 | CATHERINE RODRIGUEZ |
| CITY COUNCIL, PLACE 3 | MONICA ALCOGER      |
| CITY COUNCIL, PLACE 4 | MATTHEW HODDE       |
| CITY COUNCIL, PLACE 5 | WILL BRADSHAW       |

**CITY OFFICIALS**

|                              |                      |
|------------------------------|----------------------|
| CITY MANAGER                 | KELLY KUENSTLER      |
| DIRECTOR OF FINANCE          | VICKIE WALLACE       |
| CITY ATTORNEY                | DENISE FREDERICK     |
| CITY SECRETARY               | SAUNDRA PASSAILAIGUE |
| PLANNING AND ZONING DIRECTOR | BRANDON MELLAND      |
| POLICE CHIEF                 | JOSEPH SALVAGGIO     |
| FIRE CHIEF                   | MICHAEL MCNAUGHTON   |
| LIBRARIAN                    | ROSIE AMAYA          |
| PUBLIC WORKS DIRECTOR        | MELINDA MORITZ       |
| HUMAN RESOURCES DIRECTOR/ACM | CRYSTAL CALDERA      |

## Organizational Chart FY 2019





## FINANCIAL SECTION



## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
Members of the City Council  
City of Leon Valley, Texas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Leon Valley, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise City of Leon Valley's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

City of Leon Valley's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Leon Valley, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to the City's net pension and total other postemployment benefit liabilities – TMRS, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

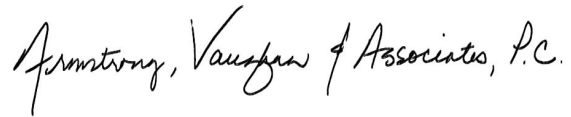
### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Leon Valley's basic financial statements. The comparative financial statements, combining and individual nonmajor fund financial statements, introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparative financial statements, and combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2020 on our consideration of City of Leon Valley's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Leon Valley's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

February 3, 2020

## MANAGEMENTS DISCUSSION AND ANALYSIS

As management of the City of Leon Valley, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Leon Valley for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

### Financial Highlights

- The assets of the City of Leon Valley exceeded its liabilities at the close of the most recent fiscal year by \$26.1 million (net position). Of this amount, \$4.2 million (unrestricted net position) may be used to meet the City's operational needs.
- The City's total net position decreased by \$560 thousand mainly due to decreased operating and capital grants received during fiscal year 2019 from the Texas Department of Transportation for the construction of Evers Road Bridge.
- The City's OPEB and pension related deferred outflows totaled \$3.1 million at year end, an increase of \$2.4 million in comparison with the prior year due to earnings on investments which were less than anticipated.
- The City's OPEB and pension related deferred inflows totaled \$4 thousand at year end, a decrease of \$1 million in comparison with the prior year due to increased contribution rates.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$9.2 million, an increase of \$377 thousand in comparison with the prior year. The decrease is mostly attributed to less capital outlay expenditures in the current year.
- At the end of the fiscal year, the combined total of the General Fund assigned and unassigned fund balances was \$5.5 million which is 50.5% of the general fund expenditures not including capital outlay.
- During the fiscal year, the City did not issue additional debt.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as the introduction of the City of Leon Valley, Texas' basic financial statements which are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

**Government-Wide Financial Statements** – The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business financial presentation.

The statement of net position is a presentation of the City's assets and liabilities, including capital and infrastructure assets, and long-term liabilities. This statement reports the difference between assets and liabilities as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information regarding increases and decreases to the government's net position for the fiscal year. Changes in net position are recorded when the underlying event giving rise to the change occurs regardless of the timing of cash flows.

Therefore, revenues and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused personal leave). Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (business-type activities). Governmental activities include general government, public safety, public works, parks and recreation, library, and community development. The business-type activities of the City are water and sewer.

**Fund Financial Statements** – The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements are used to present financial information detailing resources that have been identified for specific activities. The focus of the fund financial statements is on the City's major funds, although non-major funds are also presented in aggregate and further detailed in the supplementary statements. The City uses fund accounting to ensure and demonstrate compliance with requirements placed on resources. Funds are divided into three types: governmental, proprietary, and fiduciary. However, the City does not have any fiduciary funds.

*Governmental Funds* – Governmental funds are used for essentially the same functions reported in the governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources available for current spending, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

As the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

*Proprietary Funds* – The City maintains one type of proprietary fund. Enterprise funds are used to report the functions presented in business-type activities in the government-wide financial statements. The City uses the enterprise fund to account for the provision of water and sewer services to residents.

Proprietary fund financial statements provide separate and more detailed information for the water and sewer fund. The water and sewer fund is considered a major fund of the City.

**Notes to the Basic Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information on the City's general fund budget, which is adopted on an annual basis. A budgetary comparison statement has been provided for this fund in order to demonstrate budgetary compliance with this budget.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Below is a comparative summary of the governmental activities and business-type activities as required by GASB Statement No. 34.

**TABLE A-1**  
**NET POSITION**

|                                       | Governmental Activities |                      | Business-Type Activities |                     | Total                |                      |
|---------------------------------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
|                                       | 2019                    | 2018                 | 2019                     | 2018                | 2019                 | 2018                 |
| <b>Assets</b>                         |                         |                      |                          |                     |                      |                      |
| Current Assets                        | \$ 10,985,691           | \$ 10,348,105        | \$ 4,930,043             | \$ 4,767,144        | \$ 15,915,734        | \$ 15,115,249        |
| Capital and Other Assets              | 19,586,734              | 19,523,230           | 6,848,175                | 6,185,827           | 26,434,909           | 25,709,057           |
| Total Assets                          | <u>30,572,425</u>       | <u>29,871,335</u>    | <u>11,778,218</u>        | <u>10,952,971</u>   | <u>42,350,643</u>    | <u>40,824,306</u>    |
| <b>Deferred Outflows of Resources</b> | <u>2,661,966</u>        | <u>571,877</u>       | <u>434,333</u>           | <u>105,516</u>      | <u>3,096,299</u>     | <u>677,393</u>       |
| <b>Liabilities</b>                    |                         |                      |                          |                     |                      |                      |
| Current Liabilities                   | 2,198,457               | 1,938,380            | 463,965                  | 586,174             | 2,662,422            | 2,524,554            |
| Noncurrent Liabilities                | 13,526,420              | 8,921,506            | 3,162,789                | 2,359,661           | 16,689,209           | 11,281,167           |
| Total Liabilities                     | <u>15,724,877</u>       | <u>10,859,886</u>    | <u>3,626,754</u>         | <u>2,945,835</u>    | <u>19,351,631</u>    | <u>13,805,721</u>    |
| <b>Deferred Inflows of Resources</b>  | <u>3,685</u>            | <u>881,678</u>       | <u>181</u>               | <u>162,676</u>      | <u>3,866</u>         | <u>1,044,354</u>     |
| <b>Net Position</b>                   |                         |                      |                          |                     |                      |                      |
| Net Investment in                     |                         |                      |                          |                     |                      |                      |
| Capital Assets                        | 12,752,432              | 12,241,969           | 4,872,274                | 4,162,165           | 17,624,706           | 16,404,134           |
| Restricted                            | 2,704,990               | 4,027,347            | 1,595,199                | 1,225,716           | 4,300,189            | 5,253,063            |
| Unrestricted                          | 2,048,407               | 2,432,332            | 2,118,143                | 2,562,095           | 4,166,550            | 4,994,427            |
| Total Net Position                    | <u>\$ 17,505,829</u>    | <u>\$ 18,701,648</u> | <u>\$ 8,585,616</u>      | <u>\$ 7,949,976</u> | <u>\$ 26,091,445</u> | <u>\$ 26,651,624</u> |

Deferred outflows of resources are related pensions and other post-employment benefits and represent a consumption of net position that applies to future period(s) and will not be recognized as an expenditure until then. Deferred inflows of resources are related to other post-employment benefits and represent an acquisition of net position that applies to a future period and will not be recognized as revenue until that time. Additional information regarding the City's deferred outflows and deferred inflows of resources can be found in Notes 8 and 9 of this report.

The largest portion of the City's net position, \$17.6 million, represents its investment in capital assets (e.g., land, construction in progress, buildings, machinery, and equipment, net of accumulated depreciation), less any related debt used to acquire those assets that are still outstanding. The City of Leon Valley, Texas uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Of the other net position, \$4.3 million represents resources that are subject to external restrictions on how they may be used. \$4.2 million (unrestricted net position) may be used to meet the City's operational needs.

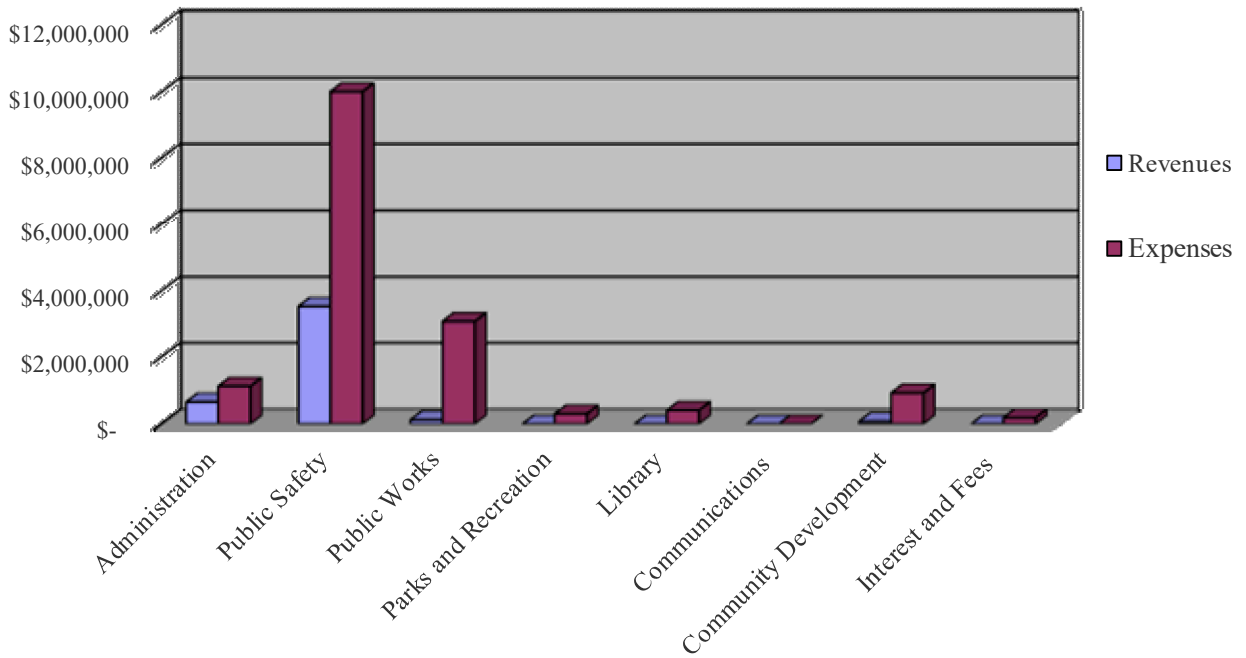
Governmental activities decreased net position by \$1.2 million, which is attributable to fluctuations in program revenues and expenses. Key elements of this increase are as follows:

**TABLE A-2**  
**CHANGES IN NET POSITION FOR GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES**

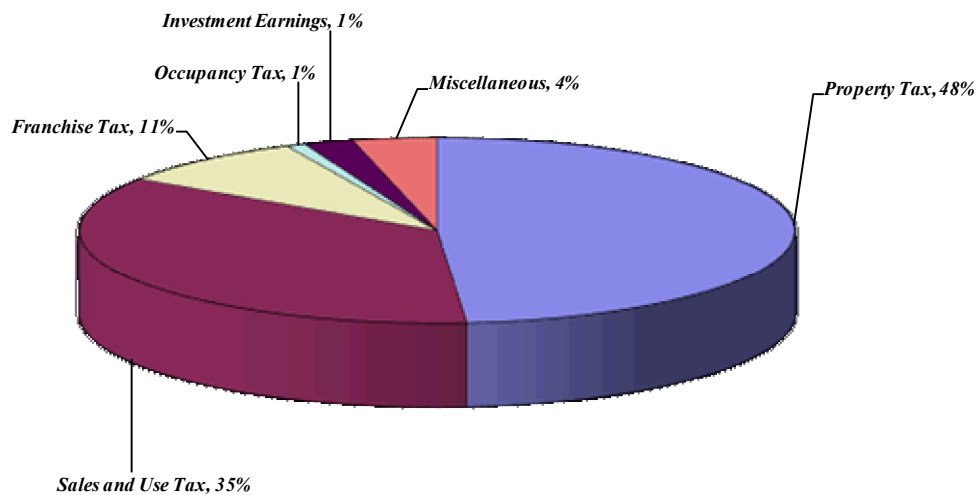
|  | Governmental Activities |                      | Business-Type Activities |                     | Total                |                      |
|--|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
|  | 2019                    | 2018                 | 2019                     | 2018                | 2019                 | 2018                 |
| <b>Revenues:</b>                                 |                         |                      |                          |                     |                      |                      |
| Program Revenues:                                |                         |                      |                          |                     |                      |                      |
| Charges for Services                             | \$ 4,180,636            | \$ 2,954,257         | \$ 5,218,441             | \$ 4,623,442        | \$ 9,399,077         | \$ 7,577,699         |
| Operating Grants and Contributions               | 130,103                 | 526,275              | -                        | -                   | 130,103              | 526,275              |
| Capital Grants and Contributions                 | 105,767                 | 1,670,428            | 302,632                  | 485,976             | 408,399              | 2,156,404            |
| General Revenues                                 |                         |                      |                          |                     |                      |                      |
| Property Taxes                                   | 5,113,648               | 4,944,531            | -                        | -                   | 5,113,648            | 4,944,531            |
| Sales Taxes                                      | 3,746,775               | 3,687,415            | -                        | -                   | 3,746,775            | 3,687,415            |
| Franchise Taxes                                  | 919,205                 | 961,149              | -                        | -                   | 919,205              | 961,149              |
| Occupancy Taxes                                  | 89,936                  | 94,639               | -                        | -                   | 89,936               | 94,639               |
| Investment Earnings                              | 233,900                 | 134,411              | 92,436                   | 60,337              | 326,336              | 194,748              |
| Miscellaneous                                    | 399,343                 | 371,832              | 300                      | -                   | 399,643              | 371,832              |
| Total Revenues                                   | <u>14,919,313</u>       | <u>15,344,937</u>    | <u>5,613,809</u>         | <u>5,169,755</u>    | <u>20,533,122</u>    | <u>20,514,692</u>    |
| <b>Expenses:</b>                                 |                         |                      |                          |                     |                      |                      |
| Administration                                   | 1,134,888               | 1,163,357            | -                        | -                   | 1,134,888            | 1,163,357            |
| Public Safety                                    | 10,029,264              | 6,825,574            | -                        | -                   | 10,029,264           | 6,825,574            |
| Public Works                                     | 3,110,746               | 1,366,183            | -                        | -                   | 3,110,746            | 1,366,183            |
| Parks and Recreation                             | 306,749                 | 372,372              | -                        | -                   | 306,749              | 372,372              |
| Library  | 413,677                 | 421,642              | -                        | -                   | 413,677              | 421,642              |
| Communications                                   | -                       | -                    | -                        | -                   | -                    | -                    |
| Community Development                            | 932,724                 | 828,978              | -                        | -                   | 932,724              | 828,978              |
| Utility  | -                       | -                    | 4,978,650                | 4,720,880           | 4,978,650            | 4,720,880            |
| Interest and Fiscal Agent Fees                   | 186,603                 | 201,460              | -                        | -                   | 186,603              | 201,460              |
| Total Expenses                                   | <u>16,114,651</u>       | <u>11,179,566</u>    | <u>4,978,650</u>         | <u>4,720,880</u>    | <u>21,093,301</u>    | <u>15,900,446</u>    |
| <b>INCREASE IN NET POSITION BEFORE TRANSFERS</b> | (1,195,338)             | 4,165,371            | 635,159                  | 448,875             | (560,179)            | 4,614,246            |
| Transfers In (Out)                               | <u>(481)</u>            | <u>(47,650)</u>      | <u>481</u>               | <u>47,650</u>       | <u>-</u>             | <u>-</u>             |
| <b>CHANGE IN NET POSITION</b>                    | (1,195,819)             | 4,117,721            | 635,640                  | 496,525             | (560,179)            | 4,614,246            |
| <b>BEGINNING NET POSITION</b>                    | 18,701,648              | 14,876,452           | 7,949,976                | 7,507,424           | 26,651,624           | 22,383,876           |
| Prior Period Adjustment                          | -                       | (292,525)            | -                        | (53,973)            | -                    | (346,498)            |
| <b>ENDING NET POSITION</b>                       | <u>\$ 17,505,829</u>    | <u>\$ 18,701,648</u> | <u>\$ 8,585,616</u>      | <u>\$ 7,949,976</u> | <u>\$ 26,091,445</u> | <u>\$ 26,651,624</u> |

EXPENSES AND PROGRAM REVENUES –GOVERNMENTAL ACTIVITIES  
TOTAL EXPENSES 2019 AND 2018-GOVERNMENT-WIDE

**Revenues-Governmental Activities (Continued)**

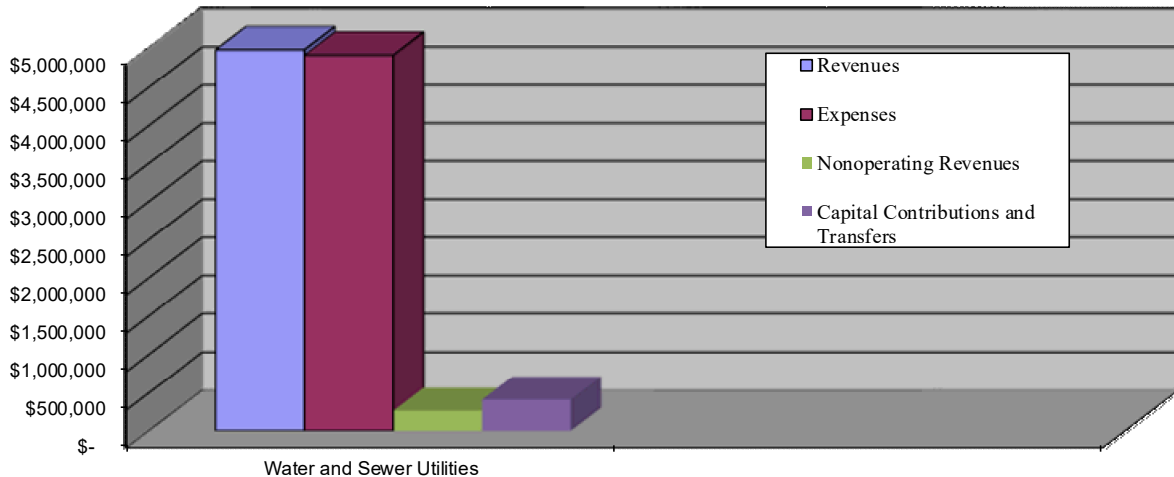
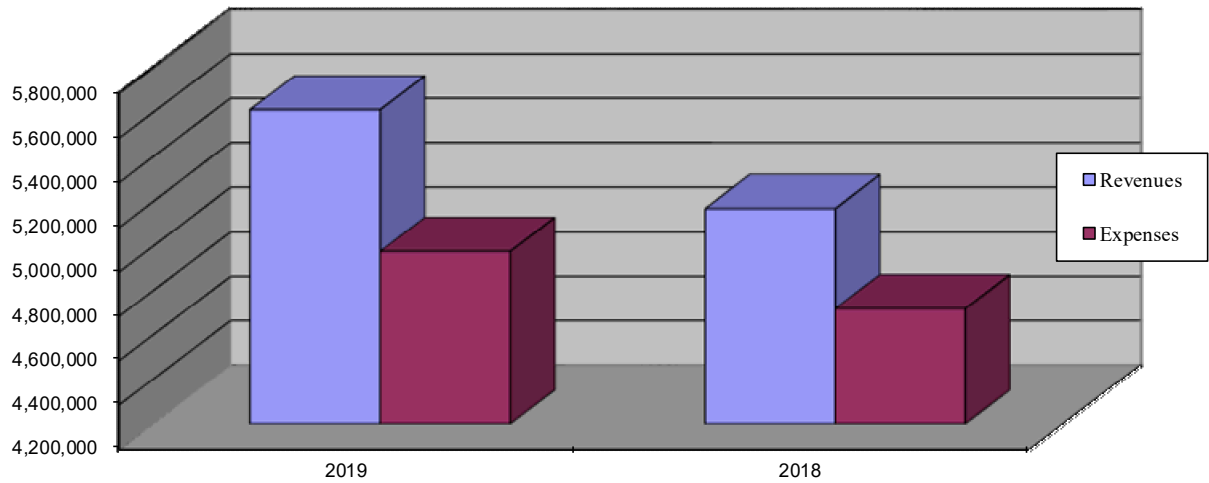


**General Revenue by Source - Governmental Activities**



## Business-Type Activities

Business-Type activities increased net position by 8.0%. For the most part, increases in expenses closely paralleled inflation.



## Financial Analysis of the Government's Funds

As noted earlier, the City of Leon Valley uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds** - Activities of the primary government's general fund, capital projects fund, special revenue funds and debt service funds are considered general government functions. The general fund is the City's general operating fund. The capital projects fund is used to account for financial activity related to the acquisition and construction of major capital facilities. Special revenue funds are used to account for proceeds of specific sources that are legally restricted as to expenditures. The debt service funds are used to account for financial activity related to the City's general bonded indebtedness, as well as long-term obligations.



As September 30, 2019, the City's governmental funds reported combined ending fund balances of \$9.2 million, an increase of \$377 thousand in comparison with fiscal year 2018. The general fund which is the chief operating fund of the City, at the end of the current fiscal year, had a committed fund balance of \$1,000,000 for man-made or natural disaster emergencies.

For the fiscal year ended September 30, 2019, the fund balance of the City's general fund increased by \$1.4 million. Key factors in the increase are as follows:

- Licenses and permits, and fines were considerably higher than the prior year.

For the fiscal year ended September 30, 2019, the fund balance of the City's Street Maintenance Tax Fund decreased by \$557 thousand. The key factors in the decrease are as follows:

- Public works repairs and maintenance expenditures were \$1.1 million higher than the previous year due to various projects.

The debt service fund has a total fund balance of \$341 thousand, all of which is restricted for the payment of debt service. The net decrease in the fund balance during the current year in the debt service fund was \$9 thousand.

**Proprietary Funds** - The City's proprietary fund provided the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the water and sewer fund at the end of the year amounted to \$2.1 million. The total increase in net position for the water and sewer fund was \$635 thousand. Most of this increase is due to an increase in the water rates and grant revenue.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the City revised its budget for a total increase of \$816,334. The following are the main components of the increase:

- \$312 thousand supplemental appropriation for Evers Road Bridge and Wurzbach Exchange Parkway traffic signal construction
- \$135 thousand supplemental appropriation for traffic safety crosswalk and traffic vehicle
- \$203 thousand appropriations for contractual obligations

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets** - The City's investment in capital assets for its governmental and business- type activities as of September 30, 2019 amounted to \$26.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, and roads. The City's investment in capital assets for the current fiscal year increased by \$726 thousand from fiscal year 2018.

**TABLE A-3**  
CAPITAL ASSETS  
(Net of Depreciation)

|                                    | Governmental<br>Activities |                      | Business-Type<br>Activities |                     | Total                |                      |
|------------------------------------|----------------------------|----------------------|-----------------------------|---------------------|----------------------|----------------------|
|                                    | 2019                       | 2018                 | 2019                        | 2018                | 2019                 | 2018                 |
| Land                               | \$ 1,317,346               | \$ 1,317,346         | \$ 203,227                  | \$ 203,227          | \$ 1,520,573         | \$ 1,520,573         |
| Water Rights                       | -                          | -                    | 1,908,999                   | 1,782,783           | 1,908,999            | 1,782,783            |
| Buildings                          | 10,981,760                 | 10,981,760           | 25,403                      | 25,403              | 11,007,163           | 11,007,163           |
| Water/Wastewater<br>System - Plant | -                          | -                    | 9,407,690                   | 8,809,556           | 9,407,690            | 8,809,556            |
| Transportation<br>and Equipment    | 6,465,200                  | 6,037,636            | -                           | -                   | 6,465,200            | 6,037,636            |
| Infrastructure                     | 15,299,222                 | 12,256,134           | 1,054,586                   | 860,586             | 16,353,808           | 13,116,720           |
| Construction in Progress           | -                          | 2,575,914            | -                           | -                   | -                    | 2,575,914            |
| Accumulated Depreciation           | (14,476,794)               | (13,645,560)         | (5,751,730)                 | (5,495,728)         | (20,228,524)         | (19,141,288)         |
| <b>TOTALS</b>                      | <b>\$ 19,586,734</b>       | <b>\$ 19,523,230</b> | <b>\$ 6,848,175</b>         | <b>\$ 6,185,827</b> | <b>\$ 26,434,909</b> | <b>\$ 25,709,057</b> |

Additional information of the City of Leon Valley's capital assets can be found in Note 6 of this report.

**Long-Term Debt** - For the fiscal year ended September 30, 2019, the City had a total bonded debt outstanding of \$8.8 million.

**TABLE A-4**  
LONG-TERM DEBT

|                                      | Governmental<br>Activities |                     | Business-Type<br>Activities |                     | Total               |                     |
|--------------------------------------|----------------------------|---------------------|-----------------------------|---------------------|---------------------|---------------------|
|                                      | 2019                       | 2018                | 2019                        | 2018                | 2019                | 2018                |
| General Obligation Bonds             | \$ 6,199,302               | \$ 6,596,261        | \$ 1,975,901                | \$ 2,023,662        | \$ 8,175,203        | \$ 8,619,923        |
| Public Property Finance<br>Contracts | 635,000                    | 685,000             | -                           | -                   | 635,000             | 685,000             |
| <b>TOTALS</b>                        | <b>\$ 6,834,302</b>        | <b>\$ 7,281,261</b> | <b>\$ 1,975,901</b>         | <b>\$ 2,023,662</b> | <b>\$ 8,810,203</b> | <b>\$ 9,304,923</b> |

Additional information of the City of Leon Valley's long term debt can be found in Note 7 of this report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

For fiscal year 2020, licenses, permits, fees and fines were budgeted with a 22.3% increase over 2019 actuals. The City adopted a tax rate of \$0.543590, which is a decrease from the fiscal year 2019 tax rate. The tax components are as follows: \$0.475377 for Maintenance and Operations and \$0.068213 for the Interest and Sinking. Overall tax revenues are anticipated to rise with the increase in property values within the City.

Expenditures for the general fund are budgeted at \$12,533,640 and capital expenditures are budgeted at \$725,655. Funding for the capital expenditures will come from the capital reserves and not the current year operating revenues.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director, 6400 El Verde Road, Leon Valley, Texas 78238.



## BASIC FINANCIAL STATEMENTS

CITY OF LEON VALLEY  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2019

|   | Primary Government         |                             |                     |
|---|----------------------------|-----------------------------|---------------------|
|   | Governmental<br>Activities | Business-Type<br>Activities | Total               |
| <b>ASSETS</b>                                   |                            |                             |                     |
| <i>Current Assets:</i>                          |                            |                             |                     |
| Cash and Cash Equivalents:                      |                            |                             |                     |
| Unrestricted                                    | \$ 1,455,013               | \$ 147,772                  | \$ 1,602,785        |
| Restricted                                      | -                          | 143,452                     | 143,452             |
| Investments                                     |                            |                             |                     |
| Unrestricted                                    | 8,395,661                  | -                           | 8,395,661           |
| Restricted Investments - Water/Wastewater       | -                          | 3,802,575                   | 3,802,575           |
| Receivables (net of allowances):                |                            |                             |                     |
| Property Taxes                                  | 169,938                    | -                           | 169,938             |
| Special Assessment                              | 13,278                     | -                           | 13,278              |
| Other   | 299,720                    | 836,244                     | 1,135,964           |
| Due from Other Governments                      | 646,257                    | -                           | 646,257             |
| Inventories                                     | 5,824                      | -                           | 5,824               |
| <i>Total Current Assets</i>                     | <u>10,985,691</u>          | <u>4,930,043</u>            | <u>15,915,734</u>   |
| <i>Noncurrent Assets:</i>                       |                            |                             |                     |
| Capital Assets:                                 |                            |                             |                     |
| Land  | 1,317,346                  | 203,227                     | 1,520,573           |
| Water Rights                                    | -                          | 1,908,999                   | 1,908,999           |
| Buildings                                       | 10,981,760                 | 25,403                      | 11,007,163          |
| Water/Wastewater System-Plant                   | -                          | 9,407,690                   | 9,407,690           |
| Other Machinery and Equipment                   | 1,793,161                  | -                           | 1,793,161           |
| Office Equipment                                | 46,831                     | -                           | 46,831              |
| Infrastructure                                  | 15,299,222                 | -                           | 15,299,222          |
| Transportation and Equipment                    | 4,625,208                  | 1,054,586                   | 5,679,794           |
| Construction in Progress                        | -                          | -                           | -                   |
| Less: Accumulated Depreciation                  | (14,476,794)               | (5,751,730)                 | (20,228,524)        |
| <i>Total Noncurrent Assets:</i>                 | <u>19,586,734</u>          | <u>6,848,175</u>            | <u>48,124,479</u>   |
| <b>TOTAL ASSETS</b>                             | <u>30,572,425</u>          | <u>11,778,218</u>           | <u>64,040,213</u>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>           |                            |                             |                     |
| Deferred Pension Related Outflows               | 2,659,735                  | 433,920                     | 3,093,655           |
| Deferred OPEB Related Outflows                  | 2,231                      | 413                         | 2,644               |
| <b>TOTAL DEFERRED OUTFLOWS<br/>OF RESOURCES</b> | <u>\$ 2,661,966</u>        | <u>\$ 434,333</u>           | <u>\$ 3,096,299</u> |

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY  
STATEMENT OF NET POSITION (CONTINUED)  
SEPTEMBER 30, 2019

|  | Primary Government         |                             |                      |
|--|----------------------------|-----------------------------|----------------------|
|  | Governmental<br>Activities | Business-Type<br>Activities | Total                |
| <b>LIABILITIES</b>                             |                            |                             |                      |
| <i>Current Liabilities:</i>                    |                            |                             |                      |
| Accounts Payable                               | \$ 1,215,560               | \$ 205,386                  | \$ 1,420,946         |
| Accrued Expenditures                           | 328,984                    | 29,280                      | 358,264              |
| Accrued Interest Payable                       | 30,799                     | 10,727                      | 41,526               |
| Current Portion of Compensated Absences        | 138,010                    | 31,239                      | 169,249              |
| Current Portion of Long-Term Debt              | 456,959                    | 43,881                      | 500,840              |
| Payable from Restricted Assets:                |                            |                             |                      |
| Customer Deposits Payable                      | 28,145                     | 143,452                     | 171,597              |
| <i>Total Current Liabilities</i>               | <u>2,198,457</u>           | <u>463,965</u>              | <u>2,662,422</u>     |
| <i>Noncurrent Liabilities:</i>                 |                            |                             |                      |
| Compensated Absences                           | 568,881                    | 111,365                     | 680,246              |
| Net Pension Liability                          | 6,245,139                  | 1,057,484                   | 7,302,623            |
| OPEB Liability                                 | 335,057                    | 61,920                      | 396,977              |
| Long-Term Debt                                 | 6,377,343                  | 1,932,020                   | 8,309,363            |
| <i>Total Noncurrent Liabilities</i>            | <u>13,526,420</u>          | <u>3,162,789</u>            | <u>16,689,209</u>    |
| <b>TOTAL LIABILITIES</b>                       | <u>15,724,877</u>          | <u>3,626,754</u>            | <u>19,351,631</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>           |                            |                             |                      |
| Deferred OPEB Related Inflows                  | 3,685                      | 181                         | 3,866                |
| <b>TOTAL DEFERRED INFLOWS<br/>OF RESOURCES</b> | <u>3,685</u>               | <u>181</u>                  | <u>3,866</u>         |
| <b>NET POSITION</b>                            |                            |                             |                      |
| Net Investment In Capital Assets               | 12,752,432                 | 4,872,274                   | 17,624,706           |
| Restricted For:                                |                            |                             |                      |
| Public, Educational and Governmental           | 231,966                    | -                           | 231,966              |
| Debt Service                                   | 347,789                    | -                           | 347,789              |
| Street Maintenance                             | 1,242,412                  | -                           | 1,242,412            |
| Crime Control and Prevention District          | 256,479                    | -                           | 256,479              |
| Federal Police Forfeitures                     | 424,671                    | -                           | 424,671              |
| Other  | 201,673                    | -                           | 201,673              |
| Water Supply                                   | -                          | 412,224                     | 412,224              |
| Storm Water Fee                                | -                          | 1,182,975                   | 1,182,975            |
| Unrestricted                                   | 2,048,407                  | 2,118,143                   | 4,166,550            |
| <b>TOTAL NET POSITION</b>                      | <u>\$ 17,505,829</u>       | <u>\$ 8,585,616</u>         | <u>\$ 26,091,445</u> |

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

| Functions and Programs                   | Expenses             | Program Revenues        |  |  |
|--|----------------------|-------------------------|--|--|
|  |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |
| <b>Primary Government:</b>               |                      |                         |  |  |
| <i>Governmental Activities:</i>          |                      |                         |  |  |
| Administration                           | \$ 1,134,888         | \$ 661,149              | \$ -                                     | \$ -                                   |
| Public Safety                            | 10,029,264           | 3,441,827               | 110,153                                  | -                                      |
| Public Works                             | 3,110,746            | -                       | 19,950                                   | 105,767                                |
| Parks and Recreation                     | 306,749              | -                       | -  | -                                      |
| Library                                  | 413,677              | -                       | -  | -                                      |
| Community Development                    | 932,724              | 77,660                  | -  | -                                      |
| Interest and Fiscal Agent Fees           | 186,603              | -                       | -  | -                                      |
| <i>Total Governmental Activities</i>     | <u>16,114,651</u>    | <u>4,180,636</u>        | <u>130,103</u>                           | <u>105,767</u>                         |
| <i>Business-Type Activities</i>          |                      |                         |  |  |
| Water/Wastewater Utilities               | 4,978,650            | 5,218,441               | -  | 302,632                                |
| <i>Total Business-Type Activities</i>    | <u>4,978,650</u>     | <u>5,218,441</u>        | <u>-</u>                                 | <u>302,632</u>                         |
| <b>Total Primary Government</b>          | <u>\$ 21,093,301</u> | <u>\$ 9,399,077</u>     | <u>\$ 130,103</u>                        | <u>\$ 408,399</u>                      |
| <b>General Revenues:</b>                 |                      |                         |  |  |
| Taxes:                                   |                      |                         |  |  |
| Property Taxes                           |                      |                         |  |  |
| Sales Taxes                              |                      |                         |  |  |
| Franchise Taxes                          |                      |                         |  |  |
| Occupancy Taxes                          |                      |                         |  |  |
| Investment Earnings                      |                      |                         |  |  |
| Miscellaneous                            |                      |                         |  |  |
| <b>Total General Revenues</b>            |                      |                         |  |  |
| Transfers In (Out)                       |                      |                         |  |  |
| <b>Change in Net Position</b>            |                      |                         |  |  |
| <b>Net Position at Beginning of Year</b> |                      |                         |  |  |
| <b>Net Position at End of Year</b>       |                      |                         |  |  |

See accompanying notes to basic financial statements.



| Net (Expense) Revenue and<br>Changes in Net Position |                             |                      |
|--|-----------------------------|----------------------|
| Primary Government                                   |                             |                      |
| Governmental<br>Activities                           | Business-Type<br>Activities | Total                |
| \$ (473,739)   | \$ -                        | \$ (473,739)         |
| (6,477,284)  | -                           | (6,477,284)          |
| (2,985,029)  | -                           | (2,985,029)          |
| (306,749)  | -                           | (306,749)            |
| (413,677)  | -                           | (413,677)            |
| (855,064)  | -                           | (855,064)            |
| (186,603)  | -                           | (186,603)            |
| <u>(11,698,145)</u>                                  | <u>-</u>                    | <u>(11,698,145)</u>  |
| -  | 542,423                     | 542,423              |
| <u>-</u>   | <u>542,423</u>              | <u>542,423</u>       |
| (11,698,145)   | 542,423                     | (11,155,722)         |
| 5,113,648  | -                           | 5,113,648            |
| 3,746,775  | -                           | 3,746,775            |
| 919,205  | -                           | 919,205              |
| 89,936   | -                           | 89,936               |
| 233,900  | 92,436                      | 326,336              |
| 399,343  | 300                         | 399,643              |
| <u>10,502,807</u>                                    | <u>92,736</u>               | <u>10,595,543</u>    |
| (481)  | 481                         | -                    |
| (1,195,819)  | 635,640                     | (560,179)            |
| 18,701,648   | 7,949,976                   | 26,651,624           |
| <u>\$ 17,505,829</u>                                 | <u>\$ 8,585,616</u>         | <u>\$ 26,091,445</u> |

CITY OF LEON VALLEY  
BALANCE SHEET – GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019

|   | General<br>Fund            | Debt<br>Service          | Street<br>Maintenance<br>Tax Fund |
|---|----------------------------|--------------------------|-----------------------------------|
| <b>ASSETS</b>   |                            |                          |                                   |
| Cash and Cash Equivalents   | \$ 536,379                 | \$ 341,142               | \$ 206,094                        |
| Investments   | 6,661,996                  | -                        | 1,255,834                         |
| Accounts Receivables (net of allowances):   |                            |                          |                                   |
| Taxes   | 146,166                    | 23,772                   | -                                 |
| Special Assessment  | -                          | 13,278                   | -                                 |
| Other   | 284,553                    | 396                      | -                                 |
| Due from Other Governments  | 487,040                    | -                        | 106,208                           |
| Inventories   | 5,824                      | -                        | -                                 |
| <b>TOTAL ASSETS</b>   | <u><u>\$ 8,121,958</u></u> | <u><u>\$ 378,588</u></u> | <u><u>\$ 1,568,136</u></u>        |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCES</b>           |                            |                          |                                   |
| <i>Liabilities:</i>   |                            |                          |                                   |
| Accounts Payable  | \$ 891,789                 | \$ -                     | \$ 323,324                        |
| Accrued Expenditures  | 316,340                    | -                        | 2,400                             |
| Deposits Payable  | 1,200                      | -                        | -                                 |
| <i>Total Liabilities</i>  | <u>1,209,329</u>           | <u>-</u>                 | <u>325,724</u>                    |
| <i>Deferred Inflows of Resources:</i>   |                            |                          |                                   |
| Unavailable Revenues - Taxes  | 146,077                    | 37,139                   | -                                 |
| <i>Total Deferred Inflows of Resources</i>  | <u>146,077</u>             | <u>37,139</u>            | <u>-</u>                          |
| <i>Fund Balances:</i>   |                            |                          |                                   |
| Nonspendable:   |                            |                          |                                   |
| Inventory   | 5,824                      | -                        | -                                 |
| Restricted for:   |                            |                          |                                   |
| Public, Educational and Governmental  | 231,966                    | -                        | -                                 |
| Debt Service  | -                          | 341,449                  | -                                 |
| Street Maintenance  | -                          | -                        | 1,242,412                         |
| Crime Control and Prevention District   | -                          | -                        | -                                 |
| Federal Police Forfeitures  | -                          | -                        | -                                 |
| Park Bucks  | 3,450                      | -                        | -                                 |
| Committed for Disaster Emergencies  | 1,000,000                  | -                        | -                                 |
| Assigned for:   |                            |                          |                                   |
| Red Light Camera Traffic Safety   | 445,776                    | -                        | -                                 |
| Tree Mitigation and Replacement   | 25,875                     | -                        | -                                 |
| Economic Development  | 683,112                    | -                        | -                                 |
| Unassigned  | 4,370,549                  | -                        | -                                 |
| <i>Total Fund Balances</i>  | <u>6,766,552</u>           | <u>341,449</u>           | <u>1,242,412</u>                  |
| <b>TOTAL LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES<br/>AND FUND BALANCES</b> | <u><u>\$ 8,121,958</u></u> | <u><u>\$ 378,588</u></u> | <u><u>\$ 1,568,136</u></u>        |

See accompanying notes to basic financial statements.

| Other<br>Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|--------------------------------|
| \$ 371,398                                 | \$ 1,455,013                   |
| 477,831                                    | 8,395,661                      |
| -  | 169,938                        |
| -  | 13,278                         |
| 14,771                                     | 299,720                        |
| 53,009                                     | 646,257                        |
| -  | 5,824                          |
| <u>\$ 917,009</u>                          | <u>\$ 10,985,691</u>           |

|               |                  |
|---------------|------------------|
| \$ 447        | \$ 1,215,560     |
| 10,244        | 328,984          |
| 26,945        | 28,145           |
| <u>37,636</u> | <u>1,572,689</u> |

|          |                |
|----------|----------------|
| -        | 183,216        |
| <u>-</u> | <u>183,216</u> |

|                |                  |
|----------------|------------------|
| -              | 5,824            |
| -              | 231,966          |
| -              | 341,449          |
| -              | 1,242,412        |
| 256,479        | 256,479          |
| 424,671        | 424,671          |
| 198,223        | 201,673          |
| -              | 1,000,000        |
|                | 445,776          |
| -              | 25,875           |
| -              | 683,112          |
| -              | 4,370,549        |
| <u>879,373</u> | <u>9,229,786</u> |

|                   |                      |
|-------------------|----------------------|
| <u>\$ 917,009</u> | <u>\$ 10,985,691</u> |
|-------------------|----------------------|



CITY OF LEON VALLEY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2019

|   |                  |                      |
|---|------------------|----------------------|
| TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS   |                  | \$ 9,229,786         |
| Amounts reported for governmental activities in the Statement of Net Position are different because:  |                  |                      |
| Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.   |                  | 19,586,734           |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recognized as revenue in the funds.                         |                  | 183,216              |
| Accrued vacation leave payable is not due and payable in the current period and, therefore, is not reported in the funds.   |                  | (706,891)            |
| Long-term liabilities, including bonds payable and related premiums, are not due and payable in the current period and therefore, not reported in the funds:        |                  |                      |
| Bonds Payable   | (6,834,302)      |                      |
| Accrued Interest Payable  | <u>(30,799)</u>  | (6,865,101)          |
| Net Pension Liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources are not reported in governmental funds: |                  |                      |
| Net Pension Liability   | (6,245,139)      |                      |
| Pension Related Deferred Outflows   | <u>2,659,735</u> | (3,585,404)          |
| OPEB Liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources are not reported in governmental funds:        |                  |                      |
| OPEB Liability  | (335,057)        |                      |
| OPEB Related Deferred Inflows   | (3,685)          |                      |
| OPEB Related Deferred Outflows  | <u>2,231</u>     | <u>(336,511)</u>     |
| TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES  |                  | <u>\$ 17,505,829</u> |

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

|  | General<br>Fund     | Debt<br>Service   | Street<br>Maintenance<br>Tax |
|--|---------------------|-------------------|------------------------------|
| <b>REVENUES</b>  |                     |                   |                              |
| Property Taxes   | \$ 4,477,714        | \$ 627,250        | \$ -                         |
| Sales Taxes  | 2,824,338           | -                 | 620,103                      |
| Franchise Taxes  | 919,205             | -                 | -                            |
| Occupancy Taxes  | -                   | -                 | -                            |
| Licenses and Permits   | 640,217             | -                 | -                            |
| EMS  | 329,283             | -                 | -                            |
| Fines and Forfeitures  | 3,040,541           | -                 | -                            |
| Grants   | 232,391             | -                 | -                            |
| Rent   | -                   | -                 | -                            |
| Investment Earnings  | 182,132             | -                 | 35,510                       |
| Miscellaneous  | 305,155             | -                 | -                            |
| <b>TOTAL REVENUES</b>  | <u>12,950,976</u>   | <u>627,250</u>    | <u>655,613</u>               |
| <b>EXPENDITURES</b>  |                     |                   |                              |
| <i>Current:</i>  |                     |                   |                              |
| Administration   | 916,717             | -                 | -                            |
| Public Safety  | 7,161,880           | -                 | -                            |
| Public Works   | 1,349,686           | -                 | 1,212,604                    |
| Parks and Recreation   | 281,387             | -                 | -                            |
| Library  | 407,886             | -                 | -                            |
| Community Development  | 752,093             | -                 | -                            |
| <i>Capital Outlay</i>  | 668,334             | -                 | -                            |
| <i>Debt Service:</i>   |                     |                   |                              |
| Principal  | -                   | 440,000           | -                            |
| Interest and Fiscal Charges  | -                   | 195,495           | -                            |
| <b>TOTAL EXPENDITURES</b>  | <u>11,537,983</u>   | <u>635,495</u>    | <u>1,212,604</u>             |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <u>1,412,993</u>    | <u>(8,245)</u>    | <u>(556,991)</u>             |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                     |                   |                              |
| Transfers Out  | -                   | (481)             | -                            |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>                      | <u>-</u>            | <u>(481)</u>      | <u>-</u>                     |
| <b>Net Change in Fund Balance</b>                                    | 1,412,993           | (8,726)           | (556,991)                    |
| <b>Fund Balances at Beginning of Year</b>                            | <u>5,353,559</u>    | <u>350,175</u>    | <u>1,799,403</u>             |
| <b>Fund Balances at End of Year</b>                                  | <u>\$ 6,766,552</u> | <u>\$ 341,449</u> | <u>\$ 1,242,412</u>          |

See accompanying notes to basic financial statements.

| Other<br>Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|--------------------------------|
| \$ -                                       | \$ 5,104,964                   |
| 302,334                                    | 3,746,775                      |
| -  | 919,205                        |
| 89,936                                     | 89,936                         |
| -  | 640,217                        |
| -  | 329,283                        |
| 167,351                                    | 3,207,892                      |
| 3,479                                      | 235,870                        |
| 77,660                                     | 77,660                         |
| 16,259                                     | 233,901                        |
| 19,768                                     | 324,923                        |
| <u>676,787</u>                             | <u>14,910,626</u>              |
| 16,965                                     | 933,682                        |
| 724,488                                    | 7,886,368                      |
| -  | 2,562,290                      |
| -  | 281,387                        |
| -  | 407,886                        |
| 105,272                                    | 857,365                        |
| 300,447                                    | 968,781                        |
| -  | 440,000                        |
| -  | 195,495                        |
| <u>1,147,172</u>                           | <u>14,533,254</u>              |
| <u>(470,385)</u>                           | <u>377,372</u>                 |
| <u>-</u>                                   | <u>(481)</u>                   |
| <u>-</u>                                   | <u>(481)</u>                   |
| (470,385)                                  | 376,891                        |
| <u>1,349,758</u>                           | <u>8,852,895</u>               |
| <u>\$ 879,373</u>                          | <u>\$ 9,229,786</u>            |





CITY OF LEON VALLEY  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 376,891

Amounts reported for governmental activities in the Statement of Activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in the statement  
of activities the cost of those assets is allocated over their estimated useful lives and  
reported as depreciation expense.

|                      |                    |        |
|----------------------|--------------------|--------|
| Capital Outlay       | 1,066,671          |        |
| Depreciation Expense | <u>(1,003,167)</u> | 63,504 |

Revenues in the Statement of Activities that do not provide current financial resources  
are not reported as revenues in the funds. 8,684

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources  
to governmental funds, which the repayment of the principal of long-term debt consumes  
the current financial resources of governmental funds. Neither transaction, however, has  
any affect on net position. This amount is the net effect of these differences in the  
treatment of long-term debt and related items.

|   |              |         |
|---|--------------|---------|
| Principal Repayments                        | 440,000      |         |
| Amortization of Premiums, Discounts, Losses | <u>6,959</u> | 446,959 |

Governmental funds report required contributions to employee pensions  
as expenditures. However, in the Statement of Activities the cost of  
the pension is recorded based on the actuarially determined cost of the  
plan. This is the amount that actuarially determined pension  
expense exceeded contributions. (2,000,947)

Governmental funds report required contributions to OPEB as expenditures.  
However, in the Statement of Activities the cost of the expense is recorded  
based on the actuarially determined cost of the plan. This is the amount  
that actuarially determined OPEB expense exceeded contributions. (21,134)

Some expenses reported in the Statement of Activities do not require the use of  
current financial resources and, therefore, are not reported as expenditures in  
governmental funds:

|                      |              |                 |
|----------------------|--------------|-----------------|
| Compensated Absences | (71,710)     |                 |
| Accrued Interest     | <u>1,935</u> | <u>(69,775)</u> |

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ (1,195,818)

CITY OF LEON VALLEY  
STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
SEPTEMBER 30, 2019

|   | Business-Type<br>Activity<br><u>Water and<br/>Wastewater</u> |
|---|--|
| <b>ASSETS</b>                               |  |
| <i>Current Assets:</i>                      |  |
| Cash and Cash Equivalents:                  |  |
| Unrestricted                                | \$ 147,772   |
| Restricted for Customer Deposits            | 143,452  |
| Restricted Investments - Water/Wastewater   | 3,802,575  |
| Accounts Receivable, Net of Allowance:      |  |
| Customer Accounts                           | <u>836,244</u>   |
| <i>Total Current Assets</i>                 | <u>4,930,043</u>   |
| <i>Noncurrent Assets:</i>                   |  |
| Capital Assets:                             |  |
| Land  | 203,227  |
| Water Rights                                | 1,908,999  |
| Buildings and Improvements                  | 25,403   |
| Water/Wastewater System-Plant               | 9,407,690  |
| Transportation and Equipment                | 1,054,586  |
| Less: Accumulated Depreciation              | <u>(5,751,730)</u>   |
| <i>Total Noncurrent Assets</i>              | <u>6,848,175</u>   |
| <b>TOTAL ASSETS</b>                         | <u>11,778,218</u>  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |  |
| Deferred Pension Related Outflows           | 433,920  |
| Deferred OPEB Related Outflows              | <u>413</u>   |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b> | <u>\$ 434,333</u>  |

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY  
STATEMENT OF NET POSITION - PROPRIETARY FUNDS (CONTINUED)  
SEPTEMBER 30, 2019

|  | Business-Type<br>Activity<br><u>Water and<br/>Wastewater</u> |
|--|--|
| <b>LIABILITIES</b>                             |  |
| <i>Current Liabilities:</i>                    |  |
| Accounts Payable                               | \$ 205,386   |
| Accrued Expenses                               | 29,280   |
| Accrued Interest Payable                       | 10,727   |
| Current Portion of Compensated Absences        | 31,239   |
| Current Portion of Long-Term Debt              | 43,881   |
| Payable from Restricted Assets:                |  |
| Customer Deposits Payable                      | 143,452  |
| <i>Total Current Liabilities</i>               | <u>463,965</u>   |
| <i>Noncurrent Liabilities:</i>                 |  |
| Compensated Absences                           | 111,365  |
| Net Pension Liability                          | 1,057,484  |
| OPEB Liability                                 | 61,920   |
| Long-Term Debt                                 | 1,932,020  |
| <i>Total Noncurrent Liabilities</i>            | <u>3,162,789</u>   |
| <b>TOTAL LIABILITIES</b>                       | <u>3,626,754</u>   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>           |  |
| Deferred OPEB Related Inflows                  | 181  |
| <b>TOTAL DEFERRED INFLOWS<br/>OF RESOURCES</b> | <u>181</u>   |
| <b>NET POSITION</b>                            |  |
| Net Investment in Capital Assets               | 4,872,274  |
| Restricted for:                                |  |
| Water Supply Fee Reserve                       | 412,224  |
| Storm Water Fee Reserve                        | 1,182,975  |
| Unrestricted                                   |  |
| Unrestricted Appropriated Net Assets           | 350,000  |
| Unrestricted                                   | 1,768,143  |
| <b>TOTAL NET POSITION</b>                      | <u><u>\$ 8,585,616</u></u>                                   |

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

|  | Business-Type<br>Activities  |
|--|------------------------------|
|  | Water<br>and Sewer<br>System |
| <b>OPERATING REVENUES</b>                        |                              |
| Metered Water Sales                              | \$ 1,671,910                 |
| Wastewater Sales Charges                         | 2,488,626                    |
| Storm Water Fees                                 | 410,552                      |
| Connection and Platting                          | 309,485                      |
| Customer Penalties                               | 57,038                       |
| Customer Disconnect Fees                         | 9,330                        |
| Tap Fees   | 43,737                       |
| <b>TOTAL OPERATING REVENUES</b>                  | <u>4,990,678</u>             |
| <b>OPERATING EXPENSES</b>                        |                              |
| General and Administrative                       | 1,070,478                    |
| Water System                                     | 1,304,314                    |
| Wastewater System                                | 2,099,492                    |
| Stormwater System                                | 183,806                      |
| Depreciation                                     | 262,002                      |
| <b>TOTAL OPERATING EXPENSES</b>                  | <u>4,920,092</u>             |
| <b>OPERATING INCOME (LOSS)</b>                   | <u>70,586</u>                |
| <b>NONOPERATING REVENUES (EXPENSES)</b>          |                              |
| Investment Earnings                              | 92,436                       |
| Interest Expense                                 | (58,558)                     |
| Miscellaneous                                    | 300                          |
| Impact Fees                                      | 227,763                      |
| <b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>    | <u>261,941</u>               |
| <b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b> | <u>332,527</u>               |
| <b>TRANSFERS AND CONTRIBUTIONS</b>               |                              |
| Transfers In                                     | 481                          |
| Capital Contributions                            | 302,632                      |
| <b>TOTAL TRANSFERS AND CONTRIBUTIONS</b>         | <u>303,113</u>               |
| <b>CHANGE IN NET POSITION</b>                    | 635,640                      |
| <b>NET POSITION AT BEGINNING OF YEAR</b>         | <u>7,949,976</u>             |
| <b>NET POSITION AT END OF YEAR</b>               | <u><u>\$ 8,585,616</u></u>   |

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

|   | Business-Type<br>Activities  |
|---|------------------------------|
|   | Water<br>and Sewer<br>System |
| <b>Cash Flows From Operating Activities:</b>                                    |                              |
| Cash Received From Customers  | \$ 4,885,215                 |
| Cash Paid to Supplier for Goods & Services                                      | (2,721,371)                  |
| Cash Paid for Employee Salaries and Benefits                                    | (1,700,924)                  |
| <b>Net Cash Provided (Used) by<br/>Operating Activities</b>                     | <b>462,920</b>               |
| <b>Cash Flows From Capital and Related<br/>Financing Activities:</b>            |                              |
| Acquisition and Construction of Capital Assets                                  | (924,350)                    |
| Impact, Capital Contributions and Misc. Fees                                    | 530,695                      |
| Interest Paid on Long-Term Debt   | (58,558)                     |
| Transfers from Other Funds for Projects   | 481                          |
| Principal Paid on Long-Term Debt  | (47,761)                     |
| <b>Net Cash Provided (Used) by Capital and<br/>Related Financing Activities</b> | <b>(499,493)</b>             |
| <b>Cash Flows From Investing Activities:</b>                                    |                              |
| Purchase of Investments   | 74,048                       |
| Interest and Investment Earnings  | 92,436                       |
| <b>Net Cash Provided (Used) by<br/>Investing Activities</b>                     | <b>166,484</b>               |
| <b>Net Increase (Decrease) in Cash<br/>and Cash Equivalents</b>                 | <b>129,911</b>               |
| <b>Cash and Cash Equivalents at Beginning of Year:</b>                          |                              |
| Cash and Cash Equivalents   | 19,434                       |
| Restricted Cash and Cash Equivalents  | 141,879                      |
|   | <b>161,313</b>               |
| <b>Cash and Cash Equivalents at End of Year:</b>                                |                              |
| Cash and Cash Equivalents   | 147,772                      |
| Restricted Cash and Cash Equivalents  | 143,452                      |
|   | <b>\$ 291,224</b>            |

See accompanying notes to basic financial statements.

CITY OF LEON VALLEY  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

|   | Business-Type<br>Activity<br><u>Water and<br/>Wastewater</u> |
|---|--|
| <b>Reconciliation of Operating Income<br/>to Net Cash Provided (Used) by<br/>Operating Activities:</b>      |  |
| Operating Income  | \$ 70,586  |
| Adjustments to Reconcile Operating<br>Income (Loss) to Net Cash Provided<br>(Used) by Operating Activities: |  |
| Depreciation  | 262,002  |
| Decrease (Increase) in Assets:  |  |
| Accounts Receivable (net)   | (107,036)  |
| Deferred Pension Related Outflows   | (333,003)  |
| Deferred OPEB Related Outflows  | 4,186  |
| Increase (Decrease) in Liabilities:   |  |
| Accounts Payable  | (128,621)  |
| Accrued Expenditures  | 4,881  |
| Accrued Interest Payable  | (42)   |
| Customer Deposits   | 1,573  |
| Compensated Absences  | 24,857   |
| Net Pension Liability   | 826,900  |
| OPEB Liability  | (868)  |
| Deferred Pension Related Inflows  | (162,676)  |
| Deferred OPEB Related Inflows   | <u>181</u>   |
| <b>Net Cash Provided (Used) by<br/>Operating Activities</b>   | <u><u>\$ 462,920</u></u>                                     |

See accompanying notes to basic financial statements.

## NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Leon Valley, Texas, was incorporated in 1952. The City operates under a council- manager form of government and provides the following services as authorized by its charter: police and fire protection, maintenance of streets, planning and zoning, parks and recreation, general administrative services, water, and sewer services.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Proprietary type funds apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations and APB Opinions. The more significant of the City's accounting policies are described below:

A. Reporting Entity

In evaluating how to define the government, for financial purposes, management has considered all potential component units and associated component units. The decision to include a potential component unit or associated component unit in the reporting entity was made by applying the criteria set forth in GASB Statement 14, *The Financial Reporting Entity* and GASB Statement 39 *Determining Whether Certain Organizations are Component Units*. The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. Based upon the application of these criteria, the City has no component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and statement of activities. Government-wide statements report information on all of the activities of the City. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. The values of interfund services provided and used are not eliminated in the government-wide financial statements, as elimination of those charges would distort the direct costs reported for the various functions. Governmental activities are supported mainly by taxes and intergovernmental revenues. Business-type activities are financed whole or in part by fees charged to external parties for goods and services. The City has no fiduciary funds.

The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.



CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Separate fund financial statements are provided for governmental funds and proprietary funds. The general fund and capital projects fund meet the criteria as major governmental funds. The combined amounts for all nonmajor funds are reflected in a single column in the fund balance sheet and statement of revenues, expenditures, and changes in fund balances. Detailed statements for nonmajor funds are presented within combining and individual fund statements and schedules.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement focus is also used for the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash revenue types, which have been accrued, revenue from the investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Revenues are classified as program revenues and general revenues. Program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. General revenues include all taxes, grants not restricted to specific programs and investment earnings.

Governmental fund level financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as deferred inflow of resources. Property taxes which are levied prior to September 30, 2018, and became due October 1, 2018 have been assessed to finance the budget of the fiscal year beginning October 1, 2018 and, accordingly, have been reflected as deferred inflow of resources and taxes receivable in the fund financial statement at September 30, 2019.

Sales taxes, franchise taxes, hotel/motel taxes, and fees associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenue in the current fiscal period. All other revenue items received by the government are considered to be measurable and available only when the cash is received by the City.

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The government reports the following major governmental funds:

**General Fund** is the general operating fund of the City and is always classified as a major fund. The general fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for general administration, public safety, public service and capital acquisition.

**Debt Service Fund** accounts for financial resources to be used for the payment of long term debt.

**Street Maintenance Tax Fund** accounts for sales tax collection for street maintenance. This special tax was approved by voters starting in November 2007.

Nonmajor funds include special revenue funds.

**Proprietary fund** level financial statements are used to account for activities, which are similar to those found in the private sector. The measurement focus is upon determination of net income, financial position and cash flows. The City's proprietary fund is the water/wastewater fund (used to account for the provisions of water and sewer services to residents).

The proprietary fund is accounted for using the accrual basis of accounting as follows:

- Revenues are recognized when earned, and expenses are recognized when liabilities are incurred.
- Current-year contributions, administrative expenses and benefit payments, which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, the enterprise fund (water and wastewater fund) considers all highly liquid investments including cash in banks, cash on hand, and money market accounts to be cash equivalents.

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Investments

State statutes authorize the City to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (d). Statutes allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations.

Investments are stated at fair value (plus accrued interest) except for money market investments and participating interest-earning investment contracts (U.S. Treasuries) that have a remaining maturity at time of purchase of one year or less. Those investments are stated at amortized cost. Likewise, certificates of deposit are stated at amortized cost.

F. Receivables

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, 2018 and past due after January 31, 2019. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting.

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the City. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by the court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as deferred inflows of resources in the fund statements. Receivables are shown net of an allowance for uncollectibles.

G. Short-Term Inter-fund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on fund statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Inventories and Prepaid Items

The City accounts for inventories using the consumption method. Inventories consist primarily of supplies and are valued at cost determined by the average cost method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid Items of governmental funds are recorded as expenditures when consumed rather than when purchased.

I. Budget

An operating budget is adopted each fiscal year for all City governmental funds. The budget is adopted on the GAAP basis of accounting.

J. Restricted Assets

Certain enterprise fund revenues are collected for a specific purpose by state law and city ordinances such as impact fees for infrastructure improvements and the purchase of future water rights. These funds are classified as restricted assets on the statement of net position and balance sheet because their use is limited by law.

Deposits of water/sewer customers and performance bond deposits pending refund to the customer are considered restricted assets.

K. Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets are reported in the applicable governmental or business type activities column in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of \$5,000 or more. Infrastructure assets include city-owned streets, sidewalks, curbs and bridges. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets, donated works of art and capital assets received in a service concession arrangement are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest has not been capitalized during the construction period on property plant and equipment.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

| Asset                           | Useful Lives<br>(Years) |
|---------------------------------|-------------------------|
| Buildings                       | 60                      |
| Water/Wastewater System - Plant | 15 - 60                 |
| Other Machinery & Equipment     | 3 - 60                  |
| Office Equipment                | 6 - 12                  |
| Vehicles                        | 3 - 24                  |
| Infrastructure                  | 12 - 60                 |

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences

Vested or accumulated vacation leave and compensatory time that is expected to be liquidated with expendable available resources is reported as an expenditure and fund liability of the governmental fund that will pay for it. The City is responsible for payment of vested or accumulated vacation leave and compensatory time. Amounts of vested or accumulated vacation leave and compensatory time that are not expected to be liquidated with expendable available financial resources are reported in the government wide statements. Vested or accumulated vacation leave and compensatory time of the enterprise fund is recorded as an expense and liability of that fund as the benefits accrue to employees. Accumulated vacation pay and compensatory time at September 30, 2019 of \$142,604 and \$706,891 have been recorded in accrued liabilities of the enterprise fund and government-wide statements, respectively. Compensated absences are reported in the governmental funds only if they have matured (i.e., unused reimbursable leave outstanding following an employee's resignation or retirement). The general fund is the governmental fund that has typically been used in prior years to liquidate the liability for compensated absences.

M. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has pension and OPEB related deferred outflows of resources.

*Deferred inflows of resources* represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. Unavailable revenue is reported only in the governmental funds balance sheet under a modified basis of accounting. Unavailable revenues from property tax are deferred and recognized as an inflow of resources in the period the amounts become available. The City also has OPEB related deferred inflows.

N. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deduction from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The general fund has typically been used in prior years to liquidate pension liabilities.

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. OPEB Liability

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions, and OPEB expense, information about the Total OPEB Liability of the Texas Municipal Retirement System (TMRS) and additions to/deduction from TMRS's Total OPEB Liability have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. The general fund has typically been used in the prior year to liquidate OPEB liabilities.

P. Long-Term Obligations

Debt is defined as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. For this purpose, debt does not include leases, except for contracts reported as a financed purchase of the underlying asset, or accounts payable. In the current year, the City adopted a new GASB standard that establishes new note disclosure requirements for long-term debt, including direct borrowings and placement. See additional detail in Note 1V and Note 7.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities or proprietary fund type statement of net position. On new bond issues, bond premium and discounts are deferred and amortized over the life of the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Q. Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The City has elected to appropriate net position of its business type activity. Such appropriations reflect the intended use of the net position.

R. Fund Balance Classification Policies

The City adopted Governmental Accounting Standards Board Statement Number 54 (GASB 54) *Fund Balance Reporting and Governmental Fund Type Definitions*. The statement provides guidance for fund balance categories and classifications and governmental fund type definitions. GASB 54 changed the way we look at fund balances, specifically reporting what fund balances, by major governmental fund type, are or are not available for public purposes.

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Fund Balance Classification Policies (Continued)

Five categories of fund balances were created and defined by GASB 54. These five categories are as follows:

- **Restricted** – These funds are governed by externally enforceable restrictions.
- **Non-spendable** – These funds are not available for expenditures based on legal or contractual requirements. An example might be inventories and prepaid expenditures.
- **Committed** - Fund balances in this category are limited by the government's highest level of decision making (in this case the City Council). Any changes of this designation must be done in the same manner that it was implemented. For example, if funds are committed by resolution, the commitment could only be released with another resolution.
- **Assigned** – For funds to be assigned, there must be an intended use which can be established by the City Council or an official delegated by the Council, such as a City Manager or Finance Director. Assigned fund balance is delegated by the City Council to the City Manager.
- **Unassigned** - This classification is the default for all funds that do not fit into the other categories. The general fund is the only fund that reports a positive fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for a specific purposes, it may be necessary to report a negative unassigned fund balance in that particular fund.

Restricted amounts are considered to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. The City's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year.

S. Inter-fund Transactions

Legally authorized transfers are treated as inter-fund transfers and are included in the results of operations of both governmental and proprietary funds.

T. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise. For the City, those revenues are charges for water and sewer services. Operating expenses are necessary costs incurred to provide the service that is the primary activity. Revenues and expenses not meeting these definitions are reported as non-operating.

U. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

V. Adoption of New Governmental Accounting Standards Board Statement

For the year ending September 30, 2019, the City implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement establishes new note disclosure requirements for long-term debt, including direct borrowing and placements. In addition, this Statement requires that a government should disclose in the notes to financial statements summarized information about the following items: (1) amount of unused lines of credit, (2) assets pledged as collateral for debt, (3) terms specified in debt agreements with finance-related consequences such as: (a) events of default, (b) termination events, and (c) subjective acceleration clauses. This Statement also requires that disclosures for direct borrowings and placements be distinct from other debt disclosures. See Note 7.

W. New Accounting Pronouncements

The Government Accounting Standards Board has issued the following statements:

- **Statement No. 84, Fiduciary Activities** – The requirements of this Statement will take effect for reporting periods beginning after December 15, 2018. The Statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting certain criteria will be reported in a fiduciary fund in the basic financial statements. The City has not early adopted this pronouncement.
- **Statement No. 87, Leases** – The requirements of this Statement will take effect for reporting periods beginning after December 15, 2019. A lessee will be required to recognize the assets and liabilities for leases with lease terms of more than 12 months. The City has not early adopted this pronouncement.
- **Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period** – The requirements of this statement will take effect for financial statements starting with the fiscal year ended December 31, 2020. This statement no longer requires interest cost to be capitalized.
- **Statement No. 90, Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 67** – This Statement provided guidance for reporting a component unit if a government acquires a 100 percent equity interest of another legally separate entity. The objectives of the Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and improve the relevance of financial information for certain component units. This Statement is effective for the City's financial period beginning October 1, 2019.

NOTE 2 -- CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash

At September 30, 2019, the carrying amount of the City's cash on hand was \$1,875; deposits in the bank were \$2,198,998 and the book balance was \$1,744,362. The City's cash was fully collateralized.



CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 2 -- CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

B. Investments

The City is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date of the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposits.

The Act determines the types of investments which are allowable for the City. These include, with certain restrictions, (1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) securities lending program, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investments pools, (9) guaranteed investment contracts, and (10) commercial paper.

The City's investments at September 30, 2019 are as shown below:

| Investment Type | Fair<br>Value   | Weighted<br>Average<br>Maturity<br>in Days       | Ratings  |                     |
|-----------------|---|--|--|---------------------|
|                 |   |  | MOODY'S  | S&P                 |
| TexPool         | \$ 12,198,236   | 32   | Aaa  | AAAM                |
| Investment Type | Quoted Prices in<br>Active Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Total<br>Fair Value |
|                 | (Level 1)   | (Level 2)  | (Level 3)  |                     |
| Texpool         | \$ 12,198,236   | \$ -   | \$ -   | \$ 12,198,236       |

Fair Value Measurement is measured by the City using the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in the active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the City's investments carried at fair value are valued using quoted markets prices (Level 1 inputs).

C. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the City was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. City investment policy follows state guidelines. The City policy allows investments in certificates of deposit with banks in Texas, investments in U.S. Treasuries and Agencies, and investment pools that invest in obligations of the United States or its agencies and instrumentalities to name a few.

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 2 -- CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Analysis of Specific Deposit and Investment Risks (Continued)

At September 30, 2019, the City's investments were in TexPool, a public funds investment pool where all securities held maintain a continuous rating of no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service.

*Custodial Credit Risk.* Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

At year end and per City policy all funds were in the City's name and collateralized with securities that maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service. The City was not exposed to custodial credit risk.

*Concentration of Credit Risk.* This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. All City funds are in the external investment pool as allowed by the City's investment policy, and the investment pool invests in hundreds of authorized securities that minimize concentrations of credit risk. At year end, the City was not exposed to concentration of credit risk.

*Interest Rate Risk.* This is the risk that changes in interest rates will adversely affect the fair market value of an investment. At year end, the City was not exposed to interest rate risk due to investment in an external investment pool as authorized by the City's investment policy.

*Foreign Currency Risk.* This is the risk that exchange rates will adversely affect the fair value of an investment. The City's policy does not allow investment in foreign currency. At year end the City was not exposed to foreign currency risk.

D. Investment Policy

The City's general policy is to report money market investments and short-term participating interest-earning investment contracts as amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

E. Public Funds Investment Pools

Public funds investment pools in Texas are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act, Chapter 2256 of the Texas Government Code.

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 2 -- CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

F. Public Funds Investment Pools (Continued)

In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires pools to: (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; (2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and (3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

NOTE 3 -- RECEIVABLES

A. Special Assessments

The City levied special assessments in 1986 against various property owners benefiting from public improvements completed in 1987. In accordance with the provisions of the assessment certificates issued for the property owners, assessments are due and payable at the time of completion. All assessments receivable as of September 30, 2012, are considered delinquent. These public improvements were funded through a note payable at the City's depository bank. Collections from assessment accounts were insufficient to cover the required note payments and therefore, the City's general fund paid the note in full through a transfer. Accordingly, current and future principal and interest collections on these delinquent accounts will be used to reimburse the City's general fund. The related assessments receivable, revenues, deferred revenue, and debt payments are reported in the debt service fund.

B. Receivables

Receivables consist of the following as of September 30, 2019:

|                                    | Governmental Funds |                  |                        |                  | Proprietary Fund     |
|------------------------------------|--------------------|------------------|------------------------|------------------|----------------------|
|                                    | General            | Debt Service     | Street Maintenance Tax | Nonmajor Funds   | Water and Sewer Fund |
| <i>Receivables:</i>                |                    |                  |                        |                  |                      |
| Property Taxes                     | \$ 171,945         | \$ 27,982        | \$ -                   | \$ -             | \$ -                 |
| Special Assessment                 | -                  | 13,278           | -                      | -                | -                    |
| EMS                                | 209,384            | -                | -                      | -                | -                    |
| Sales Taxes                        | 487,040            | -                | 106,208                | -                | -                    |
| Franchise Taxes                    | 199,253            | -                | -                      | -                | -                    |
| Occupancy Taxes                    | -                  | -                | -                      | 14,771           | -                    |
| Customers                          | -                  | -                | -                      | -                | 859,001              |
| Grants                             | 23,318             | -                | -                      | -                | -                    |
| Other                              | 61,981             | 396              | -                      | 53,009           | -                    |
| Gross Receivables                  | 1,152,921          | 41,656           | 106,208                | 67,780           | 859,001              |
| Less: Allowance for Uncollectibles | (235,162)          | (4,210)          | -                      | -                | (22,757)             |
| Net Total Receivables              | <u>\$ 917,759</u>  | <u>\$ 37,446</u> | <u>\$ 106,208</u>      | <u>\$ 67,780</u> | <u>\$ 836,244</u>    |

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 4 -- PROPERTY TAX CALENDAR

The City's property tax is levied and becomes collectible each October 1 based on the assessed values listed as of prior January 1, which is the date a lien attaches to all taxable property in the City. Assessed values are established by the Bexar County Appraisal District at 100% of estimated market value. Assessed values are reduced by lawful exemptions to arrive at taxable values. A revaluation of all property is required to be completed every four (4) years. The total taxable value as of January 1, 2018, upon which the fiscal 2019 levy was based, was \$997,287,526 (market value less exemptions).

The City is permitted by the Constitution of the State of Texas to levy taxes up to \$2.50 per \$100 of taxable assessed valuation for all governmental purposes. Pursuant to a decision of the Attorney General of the State of Texas, up to \$1.50 per \$100 of assessed valuation may be used for the payment of long-term debt. The combined tax rate to finance general governmental services, including the payment of principal and interest on long-term debt, for the year ended September 30, 2019 was \$0.545877 per \$100 of assessed value, which means that the City has a tax margin of \$ 1.954123 for each \$100 value. The City may not, however, adopt a tax rate that exceeds the rollback rate or the effective rate, whichever is lower, without first having two public hearings. If the City adopts a tax rate that exceeds the rollback tax rate, registered voters may petition the City for an election on the tax increase. A successful election limits the City's current tax rate to the rollback rate.

Property taxes are recorded as receivables and deferred inflows of resources at the time the taxes are assessed. In governmental funds, revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in the time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with generally accepted accounting principles have been recognized as revenue. In the government wide financial statements, the entire levy is recognized as revenue, net of estimated uncollectible amounts (if any), at the levy date.

NOTE 5 -- INTERFUND TRANSACTIONS

Transfers consisted of the following:

| <u>Transfer From</u> | <u>Transfer To</u> | <u>Amount</u> | <u>Purpose</u>                 |
|----------------------|--------------------|---------------|--------------------------------|
| Debt                 | Water & Sewer      | \$ 481        | Excess Debt Payment Supplement |

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 6 -- CAPITAL ASSETS

Governmental and Business-type capital asset activity for the year ended September 30, 2019 was as follows:

|   | Beginning<br>Balance | Additions          | Deletions        | Reclass            | Ending<br>Balance    |
|---|----------------------|--------------------|------------------|--------------------|----------------------|
| <b>Governmental Activities:</b>                   |                      |                    |                  |                    |                      |
| <i>Capital Assets, Not Being Depreciated:</i>     |                      |                    |                  |                    |                      |
| Land  | \$ 1,317,346         | \$ -               | \$ -             | \$ -               | \$ 1,317,346         |
| Construction in Progress                          | 2,575,914            | 51,742             | -                | (2,627,656)        | -                    |
| <i>Total Capital Assets Not Being Depreciated</i> | <u>3,893,260</u>     | <u>51,742</u>      | <u>-</u>         | <u>(2,627,656)</u> | <u>1,317,346</u>     |
| <i>Capital Assets, Being Depreciated:</i>         |                      |                    |                  |                    |                      |
| Buildings   | 10,981,760           | -                  | -                | -                  | 10,981,760           |
| Other Machinery and Equipment                     | 1,660,394            | 154,314            | (21,547)         | -                  | 1,793,161            |
| Office Equipment                                  | 46,831               | -                  | -                | -                  | 46,831               |
| Vehicles  | 4,330,411            | 445,183            | (150,386)        | -                  | 4,625,208            |
| Infrastructure                                    | 12,256,134           | 415,432            | -                | 2,627,656          | 15,299,222           |
| <i>Total Capital Assets Being Depreciated</i>     | <u>29,275,530</u>    | <u>1,014,929</u>   | <u>(171,933)</u> | <u>2,627,656</u>   | <u>32,746,182</u>    |
| <i>Accumulated Depreciation:</i>                  |                      |                    |                  |                    |                      |
| Buildings   | (2,159,159)          | (221,985)          | -                | -                  | (2,381,144)          |
| Other Machinery and Equipment                     | (1,430,268)          | (114,061)          | 21,547           | -                  | (1,522,782)          |
| Office Equipment                                  | (11,019)             | (2,721)            | -                | -                  | (13,740)             |
| Vehicles  | (2,540,340)          | (411,264)          | 150,386          | -                  | (2,801,218)          |
| Infrastructure                                    | (7,504,774)          | (253,136)          | -                | -                  | (7,757,910)          |
| <i>Total Accumulated Depreciation</i>             | <u>(13,645,560)</u>  | <u>(1,003,167)</u> | <u>171,933</u>   | <u>-</u>           | <u>(14,476,794)</u>  |
| Total Capital Assets Being Depreciated, Net       | <u>15,629,970</u>    | <u>11,762</u>      | <u>-</u>         | <u>2,627,656</u>   | <u>18,269,388</u>    |
| Governmental Activities Capital Assets, Net       | <u>\$ 19,523,230</u> | <u>\$ 63,504</u>   | <u>\$ -</u>      | <u>\$ -</u>        | <u>\$ 19,586,734</u> |
|   | Beginning<br>Balance | Additions          | Deletions        | Transfers          | Ending<br>Balance    |
| <b>Business-Type Activities:</b>                  |                      |                    |                  |                    |                      |
| <i>Capital Assets, Not Being Depreciated:</i>     |                      |                    |                  |                    |                      |
| Land  | \$ 203,227           | \$ -               | \$ -             | \$ -               | \$ 203,227           |
| Water Rights                                      | 1,782,783            | 126,216            | -                | -                  | 1,908,999            |
| <i>Total Assets Not Being Depreciated</i>         | <u>1,986,010</u>     | <u>126,216</u>     | <u>-</u>         | <u>-</u>           | <u>2,112,226</u>     |
| <i>Capital Assets, Being Depreciated:</i>         |                      |                    |                  |                    |                      |
| Buildings and Improvements                        | 25,403               | -                  | -                | -                  | 25,403               |
| Waster/Wastewater System - Plant                  | 8,809,556            | 598,134            | -                | -                  | 9,407,690            |
| Transportation and Equipment                      | 860,586              | 200,000            | (6,000)          | -                  | 1,054,586            |
| <i>Total Capital Assets Being Depreciated</i>     | <u>9,695,545</u>     | <u>798,134</u>     | <u>(6,000)</u>   | <u>-</u>           | <u>10,487,679</u>    |
| <i>Accumulated Depreciation:</i>                  |                      |                    |                  |                    |                      |
| Buildings and Improvements                        | (20,755)             | (410)              | -                | -                  | (21,165)             |
| Waster/Wastewater System - Plant                  | (4,772,246)          | (172,076)          | -                | -                  | (4,944,322)          |
| Transportation and Equipment                      | (702,727)            | (89,516)           | 6,000            | -                  | (786,243)            |
| <i>Total Accumulated Depreciation</i>             | <u>(5,495,728)</u>   | <u>(262,002)</u>   | <u>6,000</u>     | <u>-</u>           | <u>(5,751,730)</u>   |
| Total Capital Assets Being Depreciated, Net       | <u>4,199,817</u>     | <u>536,132</u>     | <u>-</u>         | <u>-</u>           | <u>4,735,949</u>     |
| Business-Type Activities Capital Assets, Net      | <u>\$ 6,185,827</u>  | <u>\$ 662,348</u>  | <u>\$ -</u>      | <u>\$ -</u>        | <u>\$ 6,848,175</u>  |

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 6 -- CAPITAL ASSETS (Continued)

Depreciation expense was charged to the governmental functions as follows:

*Governmental Activities:*

|   |                            |
|---|----------------------------|
| Administration  | \$ 210,697                 |
| Public Safety   | 413,250                    |
| Public Works  | 275,454                    |
| Parks and Recreation  | 26,228                     |
| Community Development                                       | 61,797                     |
| Library   | 15,741                     |
| <i>Total Depreciation Expense - Governmental Activities</i> | <u><u>\$ 1,003,167</u></u> |

*Business-Type Activities:*

|  |                          |
|--|--------------------------|
| Water and Sewer System                                       | <u>\$ 262,002</u>        |
| <i>Total Depreciation Expense - Business Type Activities</i> | <u><u>\$ 262,002</u></u> |

NOTE 7 -- LONG-TERM DEBT

Long-term debt and obligations payable at September 30, 2019 were comprised of the following individual issues:

|  | <u>Issue Amount</u> | <u>Maturity</u> | <u>Rate</u> | <u>Balance</u>             |
|--|---------------------|-----------------|-------------|----------------------------|
| <b><u>Primary Government</u></b>                 |                     |                 |             |                            |
| Governmental Activities:                         |                     |                 |             |                            |
| General Obligation Bonds                         |                     |                 |             |                            |
| 2012 Series                                      | \$ 7,000,000        | 2032            | 1.25-3.25%  | \$ 6,110,000               |
| Notes from Direct Borrowing and                  |                     |                 |             |                            |
| Direct Placements:                               |                     |                 |             |                            |
| Public Property Financing Contracts              |                     |                 |             |                            |
| 2009 Public Property Finance Contract            | \$ 1,060,000        | 2029            | 3.125-5%    | <u>635,000</u>             |
| <b>Total Governmental Long-Term Obligations</b>  |                     |                 |             | <u><u>\$ 6,745,000</u></u> |
|  | <u>Issue Amount</u> | <u>Maturity</u> | <u>Rate</u> | <u>Balance</u>             |
| Business Type:                                   |                     |                 |             |                            |
| Certificates of Obligation                       |                     |                 |             |                            |
| 2016 Series                                      | \$ 1,970,000        | 2046            | 4.01%       | <u>\$ 1,875,000</u>        |
| <b>Total Business-Type Long-Term Obligations</b> |                     |                 |             | <u><u>\$ 1,875,000</u></u> |

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 7 -- LONG-TERM DEBT (Continued)

|  | Balance<br>9/30/2018 | Additions         | Reductions          | Balance<br>9/30/2019 | Due Within<br>One Year |
|--|----------------------|-------------------|---------------------|----------------------|------------------------|
| <i>Governmental Activities:</i>                    |                      |                   |                     |                      |                        |
| General Obligation Bonds                           | \$ 6,500,000         | \$ -              | \$ (390,000)        | \$ 6,110,000         | \$ 400,000             |
| Unamortized Premium                                | 96,261               | -                 | (6,959)             | 89,302               | 6,959                  |
|  | <u>6,596,261</u>     | <u>-</u>          | <u>(396,959)</u>    | <u>6,199,302</u>     | <u>406,959</u>         |
| Notes from Direct Borrowing and Direct Placements: |                      |                   |                     |                      |                        |
| Public Property Finance Contract                   | 685,000              | -                 | (50,000)            | 635,000              | 50,000                 |
| Compensated Absences                               | 635,181              | 240,959           | (169,249)           | 706,891              | 138,010                |
| <i>Total Governmental Activities</i>               | <u>\$ 7,916,442</u>  | <u>\$ 240,959</u> | <u>\$ (616,208)</u> | <u>\$ 7,541,193</u>  | <u>\$ 594,969</u>      |
| <i>Business-Type Activities:</i>                   |                      |                   |                     |                      |                        |
| Certificates of Obligation                         | \$ 1,915,000         | \$ -              | \$ (40,000)         | \$ 1,875,000         | \$ 40,000              |
| Unamortized Premium                                | 108,662              | -                 | (7,761)             | 100,901              | 3,881                  |
| Compensated Absences                               | 117,747              | 56,096            | (31,239)            | 142,604              | 31,239                 |
| <i>Total Business-Type Activities</i>              | <u>\$ 2,141,409</u>  | <u>\$ 56,096</u>  | <u>\$ (79,000)</u>  | <u>\$ 2,118,505</u>  | <u>\$ 75,120</u>       |

Compensated absences and other postemployment benefit obligations for governmental activities are generally liquidated by the general fund.

The Public Property Finance Contract does not have any terms specified in the agreement related to events of default, termination events or subjective acceleration clauses.

The annual requirements to amortize all long-term debt and obligations outstanding, excluding compensated absences and bond premium, as of September 30, 2019, including interest payments, are as follows:

| Year Ending<br>September 30, | Governmental Activities |                     |   |                   |                     |
|------------------------------|-------------------------|---------------------|---|-------------------|---------------------|
|                              | Bonds                   |                     | Notes from Direct Borrowings<br>and Direct Placements |                   | Total               |
|                              | Principal               | Interest            | Principal   | Interest          |                     |
| 2020                         | \$ 400,000              | \$ 156,169          | \$ 50,000   | \$ 27,573         | \$ 633,742          |
| 2021                         | 405,000                 | 148,169             | 55,000  | 25,368            | 633,537             |
| 2022                         | 415,000                 | 140,069             | 55,000  | 23,057            | 633,126             |
| 2023                         | 420,000                 | 131,769             | 60,000  | 20,642            | 632,411             |
| 2024                         | 430,000                 | 122,844             | 60,000  | 18,122            | 630,966             |
| 2025-2029                    | 2,300,000               | 454,956             | 355,000   | 44,056            | 3,154,012           |
| 2030-2032                    | 1,740,000               | 111,956             | -   | -                 | 1,851,956           |
| Total                        | <u>\$ 6,110,000</u>     | <u>\$ 1,265,932</u> | <u>\$ 635,000</u>                                     | <u>\$ 158,818</u> | <u>\$ 8,169,750</u> |

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 7 -- LONG-TERM DEBT (Continued)

| Year Ending<br>September 30, | Business-Type Activities   |                   |                     |
|------------------------------|----------------------------|-------------------|---------------------|
|                              | Certificates of Obligation |                   | Total               |
|                              | Principal                  | Interest          |                     |
| 2020                         | \$ 40,000                  | \$ 64,363         | \$ 104,363          |
| 2021                         | 45,000                     | 62,363            | 107,363             |
| 2022                         | 45,000                     | 60,112            | 105,112             |
| 2023                         | 50,000                     | 57,863            | 107,863             |
| 2024                         | 50,000                     | 55,362            | 105,362             |
| 2025-2029                    | 285,000                    | 246,275           | 531,275             |
| 2030-2034                    | 330,000                    | 197,362           | 527,362             |
| 2035-2039                    | 380,000                    | 140,487           | 520,487             |
| 2040-2044                    | 450,000                    | 74,694            | 524,694             |
| 2045-2046                    | 200,000                    | 9,375             | 209,375             |
| Total                        | <u>\$ 1,875,000</u>        | <u>\$ 968,256</u> | <u>\$ 2,843,256</u> |



CITY OF LEON VALLEY  
BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 8 -- PENSION PLAN

Texas Municipal Retirement System

A. Plan Description

The City participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmrs.com](http://www.tmrs.com).

All eligible employees of the City are required to participate in TMRS.

B. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

|  |       |
|--|-------|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 101   |
| Inactive Employees Entitled to but Not Yet Receiving Benefits    | 77    |
| Active Employees   | 107   |
|  | <hr/> |
|  | 285   |
|  | <hr/> |

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 8 -- PENION PLAN (Continued)

Texas Municipal Retirement System (Continued)

C. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 6% of their annual gross earnings during calendar year 2018. The City changed the employee contribution rate to 7% for calendar year 2019. The contribution rates for the City were 13.22% and 16.89% for calendar years 2018 and 2019 respectively. The City's contributions to TMRS for the year ended September 30, 2019 were \$1,108,962, and were equal to the required contributions.

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

E. Actuarial Assumptions

The Total Pension Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

|                           |  |
|---------------------------|--|
| Inflation                 | 2.5% per year  |
| Overall Payroll Growth    | 3.0% per year  |
| Investment Rate of Return | 6.75%, net of pension plan investment expense, including inflation |

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements.

For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 8 -- PENSION PLAN (Continued)

Texas Municipal Retirement System (Continued)

E. Actuarial Assumptions (Continued)

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 through December 31, 2014, first used in the December 31, 2015 valuation. The post-retirement morality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Morality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of arithmetic real rates of return for each major asset class in fiscal year 2019 are summarized in the following table:

| Asset Class           | Target Allocation | Long-Term<br>Expected Real<br>Rate of Return<br>(Arithmetic) |
|-----------------------|-------------------|--|
| Domestic Equity       | 17.50%            | 4.30%  |
| International Equity  | 17.50%            | 6.10%  |
| Core Fixed Income     | 10.00%            | 1.00%  |
| Non-Core Fixed Income | 20.00%            | 3.39%  |
| Real Return           | 10.00%            | 3.78%  |
| Real Estate           | 10.00%            | 4.44%  |
| Absolute Return       | 10.00%            | 3.56%  |
| Private Equity        | 5.00%             | 7.75%  |
|                       | <u>100.00%</u>    |  |

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 8 -- PENSION PLAN (Continued)

Texas Municipal Retirement System (Continued)

F. Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

G. Changes in Net Pension Liability (Asset)

|  | Total Pension<br>Liability | Plan Fiduciary<br>Net Position | Net Pension<br>Liability |
|--|----------------------------|--------------------------------|--------------------------|
| Balance at December 31, 2017                                     | \$ 40,644,065              | \$ 39,163,751                  | \$ 1,480,314             |
| Changes for the year:  |                            |                                |                          |
| Service Cost   | 1,107,270                  | -                              | 1,107,270                |
| Interest   | 2,833,754                  | -                              | 2,833,754                |
| Change of Benefit Terms  | 1,757,255                  | -                              | 1,757,255                |
| Difference Between Expected and<br>Actual Experience             | 121,392                    | -                              | 121,392                  |
| Changes of Assumptions   | -                          | -                              | -                        |
| Contributions - Employer   | -                          | 821,094                        | (821,094)                |
| Contributions - Employee   | -                          | 372,609                        | (372,609)                |
| Net Investment Income  | -                          | (1,172,483)                    | 1,172,483                |
| Benefit Payments, Including Refunds<br>of Employee Contributions | (1,946,832)                | (1,946,832)                    | -                        |
| Administrative Expense   | -                          | (22,673)                       | 22,673                   |
| Other Changes  | -                          | (1,185)                        | 1,185                    |
| Net Changes  | 3,872,839                  | (1,949,470)                    | 5,822,309                |
| Balance at December 31, 2018                                     | \$ 44,516,904              | \$ 37,214,281                  | \$ 7,302,623             |

|   | 2017         | 2018         |
|---|--------------|--------------|
| Plan Fiduciary Net Position as a<br>Percentage of Total Pension Liability | 90.31%       | 83.60%       |
| Covered Payroll   | \$ 5,691,256 | \$ 6,210,153 |
| Net Pension Liability as a Percentage<br>of Covered Payroll               | 26.01%       | 117.59%      |

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 8 -- PENSION PLAN (Continued)

Texas Municipal Retirement System (Continued)

G. Changes in Net Pension Liability (Asset) (Continued)

Sensitivity of the net pension liability to changes in the discount rate.

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

|                       | Discount Rate<br>5.75% | Discount Rate<br>6.75% | Discount Rate<br>7.75% |
|-----------------------|------------------------|------------------------|------------------------|
| Net Pension Liability | \$ 13,273,546          | \$ 7,302,623           | \$ 2,394,783           |

H. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tmrs.com](http://www.tmrs.com).

I. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2019, the City recognized pension expense of \$3,441,167.

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between Expected and<br>Actual Economic Experience  | \$ 178,276                           | \$ -                                |
| Changes in Actuarial Assumptions                                | 6,794                                | -                                   |
| Differences Between Projected and<br>Actual Investment Earnings | 2,015,357                            | -                                   |
| Contributions Subsequent to the<br>Measurement Date             | 893,228                              | -                                   |
|   | <u>\$ 3,093,655</u>                  | <u>\$ -</u>                         |

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 8 -- PENSION PLAN (Continued)

Texas Municipal Retirement System (Continued)

I. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The City reported \$893,228 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (December 31, 2018) will be recognized as a reduction of the net pension liability for the year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| For the Year Ended December 31, |    |                  |
|---------------------------------|----|------------------|
| 2019                            | \$ | 806,552          |
| 2020                            |    | 342,430          |
| 2021                            |    | 288,236          |
| 2022                            |    | 763,209          |
| 2023                            |    | -                |
| Thereafter                      |    | -                |
|                                 | \$ | <u>2,200,427</u> |

NOTE 9 -- OTHER POST EMPLOYMENT BENEFITS (OPEB)

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other post-employment benefit," or OPEB. Membership in the plan at December 31, 2018, the valuation and measurement date, consisted of:

|  |            |
|--|------------|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 79         |
| Inactive Employees Entitled to but Not Yet Receiving Benefits    | 8          |
| Active Employees   | 107        |
|  | <u>194</u> |

The SDBF required contribution rates, based on these assumptions, are as follows:

| For the Calendar Year Ended December 31, | Total SDBF<br>Contribution Rate | Retiree Portion to SDBF<br>Contribution Rate |
|--|---------------------------------|--|
| 2017                                     | 0.19%                           | 0.05%  |
| 2018                                     | 0.18%                           | 0.06%  |

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 9 -- OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

These contribution rates are based on actuarial assumptions developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method. These assumptions are summarized below:

|                                     |   |
|-------------------------------------|---|
| Inflation                           | 2.50%   |
| Salary Increases                    | 3.50% to 10.50% Including Inflation   |
| Discount Rate                       | 3.71% (Based on Fidelity Index's 20-Year Municipal GO AA Index)   |
| Administrative Expenses             | All administrative expenses are paid thru the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.   |
| Mortality Rates - Service Retirees  | RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and femal rates multiplied by 103% and projected on a fully generational basis with scale BB.  |
| Mortality Rates - Disabled Retirees | RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and femal rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor. |

The City's Total OPEB Liability (TOL), based on the above actuarial factors, as of December 31, 2018 was calculated as follows:

|  | Total OPEB<br>Liability |
|--|-------------------------|
| Balance at December 31, 2017                         | \$ 403,091              |
| Changes for the year:                                |                         |
| Service Cost   | 14,283                  |
| Interest   | 13,517                  |
| Change of Benefit Terms                              | -                       |
| Difference Between Expected and<br>Actual Experience | (1,286)                 |
| Changes of Assumptions or Other Inputs               | (28,902)                |
| Benefit Payments                                     | (3,726)                 |
| Net Changes  | (6,114)                 |
| Balance at December 31, 2018                         | \$ 396,977              |

There is no separate trust maintained to fund this Total OPEB Liability. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 9 -- OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

The following presents the TOL of the City, calculated using the discount rate of 3.31% as well as what the City's TOL would be if it were calculated using a discount rate that is 1-percentage point lower (2.31%) and 1-percentage point higher (4.31%) than the current rate:

|                      | Discount Rate<br>2.71% | Discount Rate<br>3.71% | Discount Rate<br>4.71% |
|----------------------|------------------------|------------------------|------------------------|
| Total OPEB Liability | \$ 475,248             | \$ 396,977             | \$ 336,148             |

For the year ended September 30, 2019, the City recognized OPEB expense of \$28,255. Also as of September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Difference Between Expected and Actual Experience | \$ -                                 | \$ (1,053)                          |
| Changes in Actuarial Assumptions                  | -                                    | (2,813)                             |
| Contributions Subsequent to the Measurement Date  | 2,644                                | -                                   |
|   | <u>\$ 2,644</u>                      | <u>\$ (3,866)</u>                   |

Deferred outflows of resources in the amount of \$2,644 is related to OPEB benefits resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the total OPEB liability for the plan year ended December 31, 2019 (fiscal year ended September 30, 2020). Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

|                                 |                   |
|---------------------------------|-------------------|
| For the Year Ended December 31, |                   |
| 2019                            | \$ 455            |
| 2020                            | 455               |
| 2021                            | 455               |
| 2022                            | (2,388)           |
| 2023                            | (2,843)           |
|                                 | <u>\$ (3,866)</u> |



CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 10 -- FUND BALANCE

As of September 30, 2019, fund balances consist of the following:

|                                       | General<br>Fund     | Debt<br>Service   | Street<br>Maintenance<br>Tax Fund | Other<br>Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---------------------------------------|---------------------|-------------------|-----------------------------------|--|--------------------------------|
| <i>Fund Balances:</i>                 |                     |                   |                                   |  |                                |
| Nonspendable:                         |                     |                   |                                   |  |                                |
| Inventory                             | \$ 5,824            | \$ -              | \$ -                              | \$ -                                       | \$ 5,824                       |
| Restricted for:                       |                     |                   |                                   |  |                                |
| Public, Education and Governmental    | 231,966             | -                 | -                                 | -  | 231,966                        |
| Debt Service                          | -                   | 341,449           | -                                 | -  | 341,449                        |
| Economic Development Corporation      | -                   | -                 | -                                 | -  | -                              |
| Street Maintenance                    | -                   | -                 | 1,242,412                         | -  | 1,242,412                      |
| Crime Control and Prevention District | -                   | -                 | -                                 | 256,479                                    | 256,479                        |
| Federal Police Forfeitures            | -                   | -                 | -                                 | 424,671                                    | 424,671                        |
| Other:                                |                     |                   |                                   |  |                                |
| Park Bucks                            | 3,450               | -                 | -                                 | -  | 3,450                          |
| Community Center                      | -                   | -                 | -                                 | 125,927                                    | 125,927                        |
| Grants                                | -                   | -                 | -                                 | 2,776                                      | 2,776                          |
| Child Safety                          | -                   | -                 | -                                 | 24,593                                     | 24,593                         |
| State Police Forfeiture               | -                   | -                 | -                                 | 10,582                                     | 10,582                         |
| Building Security                     | -                   | -                 | -                                 | 15,878                                     | 15,878                         |
| Court Technology                      | -                   | -                 | -                                 | 18,467                                     | 18,467                         |
| Committed for Disaster Emergencies    | 1,000,000           | -                 | -                                 | -  | 1,000,000                      |
| Assigned for:                         |                     |                   |                                   |  |                                |
| Red Light Camera Traffic Safety       | 445,776             | -                 | -                                 | -  | 445,776                        |
| Tree Mitigation and Replacement       | 25,875              | -                 | -                                 | -  | 25,875                         |
| Economic Development                  | 683,112             | -                 | -                                 | -  | 683,112                        |
| Unassigned                            | 4,370,549           | -                 | -                                 | -  | 4,370,549                      |
| <i>Total Fund Balances</i>            | <u>\$ 6,766,552</u> | <u>\$ 341,449</u> | <u>\$ 1,242,412</u>               | <u>\$ 879,373</u>                          | <u>\$ 9,229,786</u>            |

NOTE 11 -- CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

CITY OF LEON VALLEY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

NOTE 12 -- RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City contracts with the Texas Municipal League (TML) to provide insurance coverage for property and casualty, and workers compensation. TML is a multi-employer group that provides for a combination of modified self-insurance and stop-loss coverage. Contributions are set annually by TML. Liability by the City is generally limited to the contributed amounts. Annual contributions for the year ended September 30, 2019 were \$259,440.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the CASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - General Fund
- Budgetary Comparison Schedule - Street Maintenance Tax Fund
- Schedule of Changes in Net Pension Liability and Related Ratios - Last 10 Plan Years
- Schedule of Contributions - Last 10 Fiscal Years
- Schedule of Changes in Total Other Post-Employment Benefit Liability and Related Ratios

CITY OF LEON VALLEY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2019

|                                     | Budgeted Amounts  |                   | 2019              | Variance With    |                   |
|-------------------------------------|-------------------|-------------------|-------------------|------------------|-------------------|
|                                     | Original          | Final             | Actual            | Final Budget -   | 2018              |
|                                     |                   |                   | Amounts           | Positive         | Actual            |
|                                     |                   |                   |                   | (Negative)       |                   |
| <b>REVENUES</b>                     |                   |                   |                   |                  |                   |
| Property Taxes                      | \$ 4,369,720      | \$ 4,369,720      | \$ 4,477,714      | \$ 107,994       | \$ 4,250,391      |
| Sales Taxes                         | 2,702,489         | 2,702,489         | 2,824,338         | 121,849          | 2,779,168         |
| Franchise Taxes                     | 934,251           | 934,251           | 919,205           | (15,046)         | 961,149           |
| Licenses and Permits                | 289,635           | 289,635           | 640,217           | 350,582          | 322,641           |
| Charges for Service                 | 260,000           | 260,000           | 329,283           | 69,283           | 248,424           |
| Fines and Forfeitures               | 2,466,446         | 2,466,446         | 3,040,541         | 574,095          | 2,285,678         |
| Grants                              | 44,550            | 44,550            | 232,391           | 187,841          | 1,549,885         |
| Investment Earnings                 | 85,000            | 85,000            | 182,132           | 97,132           | 99,353            |
| Miscellaneous                       | 275,970           | 275,970           | 305,155           | 29,185           | 243,183           |
| <b>TOTAL REVENUES</b>               | <b>11,428,061</b> | <b>11,428,061</b> | <b>12,950,976</b> | <b>1,522,915</b> | <b>12,739,872</b> |
| <b>EXPENDITURES</b>                 |                   |                   |                   |                  |                   |
| <b>Administration:</b>              |                   |                   |                   |                  |                   |
| <i>Business Office:</i>             |                   |                   |                   |                  |                   |
| Personnel Services                  | 47,838            | 47,838            | 43,221            | 4,617            | 61,901            |
| Supplies                            | 14,982            | 14,982            | 18,000            | (3,018)          | 12,546            |
| Contracted Services                 | 82,421            | 82,421            | 72,193            | 10,228           | 56,023            |
| <i>Total Business Office</i>        | <b>145,241</b>    | <b>145,241</b>    | <b>133,414</b>    | <b>11,827</b>    | <b>130,470</b>    |
| <i>Finance and Accounting:</i>      |                   |                   |                   |                  |                   |
| Personnel Services                  | 109,774           | 109,774           | 105,861           | 3,913            | 137,307           |
| Supplies                            | 4,140             | 4,140             | 5,600             | (1,460)          | 2,521             |
| Contracted Services                 | 85,031            | 85,031            | 70,523            | 14,508           | 78,220            |
| <i>Total Finance and Accounting</i> | <b>198,945</b>    | <b>198,945</b>    | <b>181,984</b>    | <b>16,961</b>    | <b>218,048</b>    |
| <i>Council and Manager:</i>         |                   |                   |                   |                  |                   |
| Personnel Services                  | 343,614           | 343,614           | 322,393           | 21,221           | 321,627           |
| Supplies                            | 65,004            | 65,004            | 20,570            | 44,434           | 22,359            |
| Contracted Services                 | 201,513           | 201,513           | 258,356           | (56,843)         | 232,083           |
| Capital Outlay                      | 12,634            | 12,634            | -                 | 12,634           | 5,956             |
| <i>Total Council and Manager</i>    | <b>622,765</b>    | <b>622,765</b>    | <b>601,319</b>    | <b>21,446</b>    | <b>582,025</b>    |
| <b>Total Administration</b>         | <b>\$ 966,951</b> | <b>\$ 966,951</b> | <b>\$ 916,717</b> | <b>\$ 50,234</b> | <b>\$ 930,543</b> |

CITY OF LEON VALLEY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL  
GENERAL FUND (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2019

|   | Budgeted Amounts    |                     | 2019                | Variance With     |                   |
|---|---------------------|---------------------|---------------------|-------------------|-------------------|
|   | Original            | Final               | Actual              | Final Budget -    | 2018              |
|   |                     |                     | Amounts             | Positive          | Actual            |
|   |                     |                     |                     | (Negative)        |                   |
| <b>Public Safety</b>                        |                     |                     |                     |                   |                   |
| <i>Law Enforcement Administration:</i>      |                     |                     |                     |                   |                   |
| Personnel Services                          | \$ 447,610          | \$ 460,472          | \$ 439,403          | \$ 21,069         | \$ 330,723        |
| Supplies                                    | 16,100              | 16,100              | 15,511              | 589               | 23,503            |
| Contracted Services                         | 49,925              | 49,925              | 70,994              | (21,069)          | 56,954            |
| Capital Outlay                              | 50,000              | 50,000              | 31,621              | 18,379            | 28,663            |
| <i>Total Law Enforcement Administration</i> | <u>563,635</u>      | <u>576,497</u>      | <u>557,529</u>      | <u>18,968</u>     | <u>439,843</u>    |
| <i>Law Enforcement Traffic Safety:</i>      |                     |                     |                     |                   |                   |
| Personnel Services                          | 345,702             | 410,005             | 366,322             | 43,683            | 162,723           |
| Supplies                                    | 24,200              | 24,200              | 69,120              | (44,920)          | 88,364            |
| Contracted Services                         | 7,000               | 7,000               | 62,941              | (55,941)          | 75,458            |
| Capital Outlay                              | 131,300             | 266,300             | 102,674             | 163,626           | 12,500            |
| <i>Total Law Enforcement Traffic Safety</i> | <u>508,202</u>      | <u>707,505</u>      | <u>601,057</u>      | <u>106,448</u>    | <u>339,045</u>    |
| <i>Law Enforcement Patrol:</i>              |                     |                     |                     |                   |                   |
| Personnel Services                          | 1,547,751           | 1,547,751           | 1,513,772           | 33,979            | 1,333,412         |
| Supplies                                    | 72,920              | 72,920              | 68,928              | 3,992             | 93,303            |
| Contracted Services                         | 29,703              | 29,703              | 31,665              | (1,962)           | 40,909            |
| <i>Total Law Enforcement Patrol</i>         | <u>1,650,374</u>    | <u>1,650,374</u>    | <u>1,614,365</u>    | <u>36,009</u>     | <u>1,467,624</u>  |
| <i>Law Enforcement Investigations:</i>      |                     |                     |                     |                   |                   |
| Personnel Services                          | 274,062             | 274,062             | 248,241             | 25,821            | 234,833           |
| Supplies                                    | 4,300               | 4,300               | 4,371               | (71)              | 3,697             |
| Contracted Services                         | 14,428              | 14,428              | 16,277              | (1,849)           | 13,240            |
| <i>Total Law Enforcement Investigations</i> | <u>292,790</u>      | <u>292,790</u>      | <u>268,889</u>      | <u>23,901</u>     | <u>251,770</u>    |
| <i>Law Enforcement Narcotics:</i>           |                     |                     |                     |                   |                   |
| Personnel Services                          | 197,685             | 197,685             | 181,578             | 16,107            | 158,108           |
| Contracted Services                         | 240                 | 240                 | 150                 | 90                | 129               |
| <i>Total Law Enforcement Narcotics</i>      | <u>197,925</u>      | <u>197,925</u>      | <u>181,728</u>      | <u>16,197</u>     | <u>158,237</u>    |
| <i>Law Enforcement Red Light Camera:</i>    |                     |                     |                     |                   |                   |
| Personnel Services                          | 543,002             | 560,725             | 483,982             | 76,743            | 218,162           |
| Supplies                                    | 13,500              | 13,500              | 8,574               | 4,926             | 53,649            |
| Contracted Services                         | 654,390             | 756,804             | 731,418             | 25,386            | 387,107           |
| Capital Outlay                              | -                   | -                   | -                   | -                 | 34,825            |
| <i>Total Law Enforcement Red</i>            |                     |                     |                     |                   |                   |
| <i>Light Cameras</i>                        | <u>\$ 1,210,892</u> | <u>\$ 1,331,029</u> | <u>\$ 1,223,974</u> | <u>\$ 107,055</u> | <u>\$ 693,743</u> |

CITY OF LEON VALLEY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL  
GENERAL FUND (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2019

|   | Budgeted Amounts  |                   | 2019              | Variance With     |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | Original          | Final             | Actual            | Final Budget -    | 2018              |
|   |                   |                   | Amounts           | Positive          | Actual            |
|   |                   |                   |                   | (Negative)        |                   |
| <b>Public Safety (Cont.)</b>                |                   |                   |                   |                   |                   |
| <i>Fire Protection Administration:</i>      |                   |                   |                   |                   |                   |
| Personnel Services                          | \$ 495,791        | \$ 493,691        | \$ 411,316        | \$ 82,375         | \$ 413,691        |
| Supplies                                    | 5,914             | 5,914             | 9,472             | (3,558)           | 5,407             |
| Contracted Services                         | 88,676            | 88,676            | 33,980            | 54,696            | 31,534            |
| <i>Total Fire Protection Administration</i> | <u>590,381</u>    | <u>588,281</u>    | <u>454,768</u>    | <u>133,513</u>    | <u>450,632</u>    |
| <i>Fire Protection Operations:</i>          |                   |                   |                   |                   |                   |
| Personnel Services                          | 2,220,325         | 2,222,425         | 2,041,483         | 180,942           | 1,981,059         |
| Supplies                                    | 38,750            | 38,750            | 61,189            | (22,439)          | 108,425           |
| Contracted Services                         | 75,886            | 75,886            | 161,599           | (85,713)          | 71,559            |
| Capital Outlay                              | 125,500           | 125,500           | 61,771            | 63,729            | -                 |
| <i>Total Fire Protection Operations</i>     | <u>2,460,461</u>  | <u>2,462,561</u>  | <u>2,326,042</u>  | <u>136,519</u>    | <u>2,161,043</u>  |
| <i>Emergency Medical Services:</i>          |                   |                   |                   |                   |                   |
| Supplies                                    | 51,500            | 54,631            | 70,157            | (15,526)          | 77,382            |
| Contracted Services                         | 61,816            | 61,816            | 59,437            | 2,379             | 58,065            |
| Capital Outlay                              | 44,000            | 44,000            | 24,358            | 19,642            | 191,436           |
| <i>Total Emergency Medical Services</i>     | <u>157,316</u>    | <u>160,447</u>    | <u>153,952</u>    | <u>6,495</u>      | <u>326,883</u>    |
| <b>Total Public Safety</b>                  | <u>7,631,976</u>  | <u>7,967,409</u>  | <u>7,382,304</u>  | <u>585,105</u>    | <u>6,288,820</u>  |
| <b>Public Works:</b>                        |                   |                   |                   |                   |                   |
| Personnel Services                          | 851,697           | 851,697           | 790,544           | 61,153            | 681,523           |
| Supplies                                    | 203,000           | 227,565           | 235,847           | (8,282)           | 186,691           |
| Contracted Services                         | 377,676           | 416,026           | 323,295           | 92,731            | 190,770           |
| Capital Outlay                              | 245,000           | 557,605           | 251,055           | 306,550           | 2,738,042         |
| <b>Total Public Works</b>                   | <u>1,677,373</u>  | <u>2,052,893</u>  | <u>1,600,741</u>  | <u>452,152</u>    | <u>3,797,026</u>  |
| <b>Parks and Recreation:</b>                |                   |                   |                   |                   |                   |
| Personnel Services                          | 78,116            | 78,116            | 57,631            | 20,485            | 68,935            |
| Supplies                                    | 32,000            | 32,000            | 37,844            | (5,844)           | 67,072            |
| Contracted Services                         | 126,700           | 180,030           | 185,912           | (5,882)           | 222,453           |
| Capital Outlay                              | 315,000           | 315,000           | 196,855           | 118,145           | 125,840           |
| <b>Total Parks and Recreation</b>           | <u>\$ 551,816</u> | <u>\$ 605,146</u> | <u>\$ 478,242</u> | <u>\$ 126,904</u> | <u>\$ 484,300</u> |

CITY OF LEON VALLEY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL  
GENERAL FUND (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2019

|  | Budgeted Amounts    |                       | 2019<br>Actual<br>Amounts | Variance With<br>Final Budget -<br>Positive<br>(Negative) | 2018<br>Actual    |
|--|---------------------|-----------------------|---------------------------|---|-------------------|
|  | Original            | Final                 |                           |   |                   |
| <b>Library:</b>  |                     |                       |                           |   |                   |
| Personnel Services   | \$ 357,344          | \$ 357,344            | \$ 332,481                | 24,863  | \$ 309,861        |
| Supplies   | 30,200              | 43,155                | 42,674                    | 481   | 35,112            |
| Contracted Services  | 40,476              | 40,476                | 32,731                    | 7,745   | 57,137            |
| Capital Outlay   | 5,000               | 5,000                 | -                         | 5,000   | -                 |
| <b>Total Library</b>   | <b>433,020</b>      | <b>445,975</b>        | <b>407,886</b>            | <b>38,089</b>   | <b>402,110</b>    |
| <b>Development Activities:</b>                                       |                     |                       |                           |   |                   |
| <i>Community Development/ Events:</i>                                |                     |                       |                           |   |                   |
| Personnel Services   | 320,189             | 320,189               | 319,921                   | 268   | 208,727           |
| Supplies   | 11,500              | 11,500                | 11,647                    | (147)   | 6,351             |
| Contracted Services  | 184,300             | 184,300               | 183,460                   | 840   | 157,225           |
| Capital Outlay   | 12,000              | 12,000                | -                         | 12,000  | -                 |
| <i>Total Community Development/ Events</i>                           | <i>527,989</i>      | <i>527,989</i>        | <i>515,028</i>            | <i>12,961</i>   | <i>372,303</i>    |
| <i>Special Events:</i>   |                     |                       |                           |   |                   |
| Personnel Services   | 20,250              | 20,250                | 17,508                    | 2,742   | 18,946            |
| Supplies   | 64,150              | 93,565                | 82,547                    | 11,018  | 94,467            |
| <i>Total Special Events</i>  | <i>84,400</i>       | <i>113,815</i>        | <i>100,055</i>            | <i>13,760</i>   | <i>113,413</i>    |
| <i>Economic Development:</i>   |                     |                       |                           |   |                   |
| Personnel Services   | 96,472              | 96,472                | 102,487                   | (6,015)   | 46,903            |
| Supplies   | -                   | -                     | 4,073                     | (4,073)   | 3,093             |
| Contracted Services  | 203,447             | 213,138               | 30,450                    | 182,688   | 38,743            |
| <i>Total Economic Development</i>                                    | <i>299,919</i>      | <i>309,610</i>        | <i>137,010</i>            | <i>172,600</i>  | <i>88,739</i>     |
| <b>Total Development Activities</b>                                  | <b>912,308</b>      | <b>951,414</b>        | <b>752,093</b>            | <b>199,321</b>  | <b>574,455</b>    |
| <b>Total Expenditures</b>  | <b>12,173,444</b>   | <b>12,989,788</b>     | <b>11,537,983</b>         | <b>1,451,805</b>  | <b>12,477,254</b> |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <b>\$ (745,383)</b> | <b>\$ (1,561,727)</b> | <b>\$ 1,412,993</b>       | <b>\$ 2,974,720</b>                                       | <b>\$ 262,618</b> |

CITY OF LEON VALLEY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL  
GENERAL FUND (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2019

|   | Budgeted Amounts    |                     | 2019                       | Variance With       |                     |
|---|---------------------|---------------------|----------------------------|---------------------|---------------------|
|   | Original            | Final               | Actual                     | Final Budget -      | 2018                |
|   |                     |                     | Amounts                    | Positive            | Actual              |
|   |                     |                     |                            | (Negative)          |                     |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                     |                     |                            |                     |                     |
| Transfers Out                               | \$ -                | \$ -                | \$ -                       | \$ -                | \$ (48,400)         |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b> | -                   | -                   | -                          | -                   | (48,400)            |
| <b>Net Change in Fund Balance</b>           | (745,383)           | (1,561,727)         | <b>1,412,993</b>           | 2,974,720           | 214,218             |
| <b>Fund Balances, Beginning</b>             | 5,353,559           | 5,353,559           | <b>5,353,559</b>           | -                   | 5,139,341           |
| <b>Fund Balances, Ending</b>                | <u>\$ 4,608,176</u> | <u>\$ 3,791,832</u> | <u><b>\$ 6,766,552</b></u> | <u>\$ 2,974,720</u> | <u>\$ 5,353,559</u> |



CITY OF LEON VALLEY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL  
STREET MAINTENANCE TAX FUND  
YEAR ENDED SEPTEMBER 30, 2019

|                                   | Budgeted Amounts  |                   | 2019<br>Actual<br>Amounts | Variance With<br>Final Budget -<br>Positive<br>(Negative) | 2018<br>Actual      |
|-----------------------------------|-------------------|-------------------|---------------------------|---|---------------------|
|                                   | Original          | Final             |                           |   |                     |
| <b>REVENUES</b>                   |                   |                   |                           |   |                     |
| Sales Taxes                       | \$ 591,827        | \$ 591,827        | \$ 620,103                | \$ 28,276   | \$ 610,188          |
| Investment Earnings               | 6,545             | 6,545             | 35,510                    | 28,965  | 18,119              |
| <b>TOTAL REVENUES</b>             | <u>598,372</u>    | <u>598,372</u>    | <u>655,613</u>            | <u>57,241</u>   | <u>628,307</u>      |
| <b>EXPENDITURES</b>               |                   |                   |                           |   |                     |
| <i>Current:</i>                   |                   |                   |                           |   |                     |
| Public Works                      | 1,461,362         | 1,461,362         | 1,212,604                 | 248,758   | 76,196              |
| <b>TOTAL EXPENDITURES</b>         | <u>1,461,362</u>  | <u>1,461,362</u>  | <u>1,212,604</u>          | <u>248,758</u>  | <u>76,196</u>       |
| <b>Net Change in Fund Balance</b> | (862,990)         | (862,990)         | (556,991)                 | (305,999)   | 552,111             |
| <b>FUND BALANCE - BEGINNING</b>   | <u>1,799,403</u>  | <u>1,799,403</u>  | <u>1,799,403</u>          | <u>-</u>  | <u>1,247,292</u>    |
| <b>FUND BALANCE - ENDING</b>      | <u>\$ 936,413</u> | <u>\$ 936,413</u> | <u>\$ 1,242,412</u>       | <u>\$ (305,999)</u>                                       | <u>\$ 1,799,403</u> |

CITY OF LEON VALLEY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2019

**Budgetary Information** – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The City maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriation budget approved by the City Council and as such is a good management control device. Annual budgets are adopted for the general fund, water and wastewater fund, grant fund, building security fund, child safety fund, municipal court technology fund, debt service fund, police forfeiture fund, crime control and prevention district fund, community center fund and street maintenance tax fund. Project-length financial plans are adopted for capital project funds. Of these budgets, the general fund, street maintenance tax fund, community center fund, grants fund, crime control preventions fund, child safety fund, state forfeiture fund, federal forfeiture fund, building security fund, court technology fund, CIED fund and debt service fund are legally adopted.

Budgetary preparation and control is exercised at the fund level. The city manager is authorized to transfer budget amounts between accounts within a department. These transfers cannot increase the overall budgeted expenditures.

CITY OF LEON VALLEY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS  
LAST TEN PLAN YEARS\*

|  | Total Pension Liability     |                      |                      |                      |                      |
|--|-----------------------------|----------------------|----------------------|----------------------|----------------------|
|  | 2014                        | 2015                 | 2016                 | 2017                 | 2018                 |
| Service Cost   | \$ 645,011                  | \$ 761,483           | \$ 747,641           | \$ 842,875           | \$ 1,107,270         |
| Interest (on the Total Pension Liability)                              | 2,491,971                   | 2,548,566            | 2,513,302            | 2,599,775            | 2,833,754            |
| Changes of Benefit Terms   | -                           | -                    | -                    | -                    | 1,757,255            |
| Difference between Expected and Actual Experience                      | (806,336)                   | (863,803)            | 109,583              | 194,960              | 121,392              |
| Change of Assumptions  | -                           | 149,794              | -                    | -                    | -                    |
| Benefit Payments, Including Refunds of Employee Contributions          | (1,734,074)                 | (1,426,682)          | (2,099,537)          | (2,174,580)          | (1,946,832)          |
| Net Change in Total Pension Liability                                  | 596,572                     | 1,169,358            | 1,270,989            | 1,463,030            | 3,872,839            |
| Total Pension Liability - Beginning                                    | 36,144,116                  | 36,740,688           | 37,910,046           | 39,181,035           | 40,644,065           |
| Total Pension Liability - Ending                                       | <u>\$ 36,740,688</u>        | <u>\$ 37,910,046</u> | <u>\$ 39,181,035</u> | <u>\$ 40,644,065</u> | <u>\$ 44,516,904</u> |
|  | Plan Fiduciary Net Position |                      |                      |                      |                      |
|  | 2014                        | 2015                 | 2016                 | 2017                 | 2018                 |
| Contributions - Employer   | \$ 769,208                  | \$ 813,946           | \$ 702,892           | \$ 735,312           | \$ 821,094           |
| Contributions - Employee   | 282,279                     | 311,658              | 301,671              | 341,475              | 372,609              |
| Net Investment Income  | 1,903,667                   | 50,874               | 2,310,877            | 4,903,405            | (1,172,483)          |
| Benefit Payments, Including Refunds of Employee Contributions          | (1,734,074)                 | (1,426,682)          | (2,099,537)          | (2,174,580)          | (1,946,832)          |
| Administrative Expense   | (19,877)                    | (30,989)             | (26,101)             | (25,416)             | (22,673)             |
| Other  | (1,634)                     | (1,531)              | (1,406)              | (1,286)              | (1,185)              |
| Net Change in Plan Fiduciary Net Position                              | 1,199,569                   | (282,724)            | 1,188,396            | 3,778,910            | (1,949,470)          |
| Plan Fiduciary Net Position - Beginning                                | 33,279,600                  | 34,479,169           | 34,196,445           | 35,384,841           | 39,163,751           |
| Plan Fiduciary Net Position - Ending                                   | <u>\$ 34,479,169</u>        | <u>\$ 34,196,445</u> | <u>\$ 35,384,841</u> | <u>\$ 39,163,751</u> | <u>\$ 37,214,281</u> |
| Net Pension Liability - Ending   | \$ 2,261,519                | \$ 3,713,601         | \$ 3,796,194         | \$ 1,480,314         | \$ 7,302,623         |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 93.84%                      | 90.20%               | 90.31%               | 96.36%               | 83.60%               |
| Covered Payroll  | \$ 4,704,649                | \$ 5,194,294         | \$ 5,027,846         | \$ 5,691,256         | \$ 6,210,153         |
| Net Pension Liability as a Percentage of Covered Payroll               | 48.07%                      | 71.49%               | 75.50%               | 26.01%               | 117.59%              |

\*GASB 68 requires 10 years of data to be provided in this schedule. This is the fifth year implementation of GASB68. The City will develop the schedule prospectively as data becomes available.

CITY OF LEON VALLEY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CITY CONTRIBUTIONS  
LAST TEN FISCAL YEARS\*

|   | Fiscal Year      |                  |                  |
|---|------------------|------------------|------------------|
|   | 2015             | 2016             | 2017             |
| Actuarially Determined Contribution                                     | \$ 779,557       | \$ 738,640       | \$ 735,472       |
| Contributions in Relation to the Actuarially<br>Determined Contribution | 779,557          | 738,640          | 735,472          |
| Contribution Deficiency (Excess)  | \$ -             | \$ -             | \$ -             |
| <br>Covered Payroll   | <br>\$ 4,923,162 | <br>\$ 5,036,278 | <br>\$ 5,492,470 |
| <br>Contributions as a Percentage of Covered<br>Payroll                 | <br>15.83%       | <br>14.67%       | <br>13.39%       |
|   | 2018             | 2019             |                  |
| Actuarially Determined Contribution                                     | \$ 830,183       | 1,108,962        |                  |
| Contributions in Relation to the Actuarially<br>Determined Contribution | 830,183          | 1,108,962        |                  |
| Contribution Deficiency (Excess)  | \$ -             | \$ -             |                  |
| <br>Covered Payroll   | <br>\$ 6,231,160 | <br>\$ 6,920,380 |                  |
| <br>Contributions as a Percentage of Covered<br>Payroll                 | <br>13.32%       | <br>16.02%       |                  |

\*GASB 68 requires 10 fiscal years of data to be provided in this schedule. This is the fifth year implementation of GASB68. The City will develop the schedule prospectively as data becomes available.

CITY OF LEON VALLEY  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO SCHEDULE OF CONTRIBUTIONS

**Valuation Date:**

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, thirteen (13) months later.

**Methods and Assumptions Used to Determine Contribution Rates:**

|                               |   |
|-------------------------------|---|
| Actuarial Cost Method         | Entry Age Normal  |
| Amortization Method           | Level Percentage of Payroll, Closed   |
| Remaining Amortization Period | 27 Years  |
| Asset Valuation Method        | 10 Year Smoothed Market; 15% Soft Corridor  |
| Inflation                     | 2.50%   |
| Salary Increases              | 3.50% to 10.5% Including Inflation  |
| Investment Rate of Return     | 6.75%   |
| Retirement Age                | Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014.              |
| Mortality                     | RP2000 Combined Mortality Table with blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB. |

**Other Information**

|       |   |
|-------|---|
| Notes | Increased employee contribution rate from 6% to 7%. |
|-------|---|

CITY OF LEON VALLEY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES – TOTAL OTHER POST-EMPLOYMENT BENEFIT LIABILITY  
AND RELATED RATIOS  
LAST TEN CALENDAR YEARS\*

| Total OPEB Liability                                       |                   |                   |
|--|-------------------|-------------------|
|  | 2017              | 2018              |
| Service Cost   | \$ 11,383         | \$ 14,283         |
| Interest on Total OPEB Liability                           | 13,335            | 13,517            |
| Changes of Benefit Terms                                   | -                 | -                 |
| Difference between Expected<br>and Actual Experience       | -                 | (1,286)           |
| Change of Assumptions or Other Inputs                      | 32,701            | (28,902)          |
| Benefit Payments   | (2,846)           | (3,726)           |
| Net Change in Total OPEB Liability                         | 54,573            | (6,114)           |
| Total OPEB Liability - Beginning                           | 348,518           | 403,091           |
| Total OPEB Liability - Ending                              | <u>\$ 403,091</u> | <u>\$ 396,977</u> |
| Covered Payroll  | \$ 5,691,256      | \$ 6,210,153      |
| Total OPEB Liability as a Percentage<br>of Covered Payroll | 7.08%             | 6.39%             |

\*GASB Statement No. 75 requires 10 years of data to be provided in this schedule. This is the second year implementation of GASB75. The City will develop the schedule prospectively as data becomes available.

NOTES TO SCHEDULE OF CHANGES

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

## SUPPLEMENTARY INFORMATION

Supplementary information includes combining nonmajor individual fund statements which are not required by the GASB, nor a part of the basic financial statements.

### FUND DESCRIPTIONS

#### SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues and expenditures that are legally restricted for a specific purpose.

- **Community Center** - Accounts for hotel occupancy tax revenues and expenditures, funding mainly the community and conference centers.
- **Grants Fund** - Accounts for grant revenues received from other governments and the related expenditures.
- **Crime Control and Prevention District** - Accounts for sales tax collection for public safety operations. This special district tax was approved by voters in May 2014.
- **Child Safety Fund** - Accounts for the drug awareness and prevention program, school crossing guards, and other child safety programs.
- **State Police Forfeiture Fund** - Accounts for revenues from seized assets and the allowed expenditure of that revenue.
- **Federal Police Forfeiture Fund** - Accounts for revenues from seized assets in federal cases and the allowed expenditure of that revenue.
- **Building Security Fund** - Accounts for a portion of municipal fines that are allocated to building security and the allowed expenditures.
- **Court Technology** - Accounts for a portion of municipal fines that are allocated to court technology and the allowed expenditures.

#### OTHER MAJOR FUND

- **Debt Service Fund** – Accounts for the accumulation of resources and the related disbursement for the retirement of long-term debt

CITY OF LEON VALLEY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019

|  | Special Revenue Funds |                 |   |                  |
|--|-----------------------|-----------------|---|------------------|
|  | Community<br>Center   | Grants          | Crime Control<br>and Prevention<br>District | Child<br>Safety  |
| <b>ASSETS</b>                                  |                       |                 |   |                  |
| Cash and Cash Equivalents                      | \$ 140,427            | \$ 2,776        | \$ 52,526                                   | \$ 24,063        |
| Investments                                    | 71                    | -               | 156,958                                     | -                |
| Accounts Receivable, Net of Allowance:         |                       |                 |   |                  |
| Other  | 13,744                | -               | -   | 1,027            |
| Due from Other Governments                     | -                     | -               | 53,009                                      | -                |
| <b>TOTAL ASSETS</b>                            | <u>\$ 154,242</u>     | <u>\$ 2,776</u> | <u>\$ 262,493</u>                           | <u>\$ 25,090</u> |
| <b>LIABILITIES AND FUND BALANCE</b>            |                       |                 |   |                  |
| <i>Liabilities:</i>                            |                       |                 |   |                  |
| Accounts Payable                               | \$ 447                | \$ -            | \$ -  | \$ -             |
| Accrued Expenditures                           | 923                   | -               | 6,014                                       | 497              |
| Deposits Payable                               | 26,945                | -               | -   | -                |
| <i>Total Liabilities</i>                       | <u>28,315</u>         | <u>-</u>        | <u>6,014</u>                                | <u>497</u>       |
| <i>Fund Balance:</i>                           |                       |                 |   |                  |
| Restricted                                     | 125,927               | 2,776           | 256,479                                     | 24,593           |
| <i>Total Fund Balances</i>                     | <u>125,927</u>        | <u>2,776</u>    | <u>256,479</u>                              | <u>24,593</u>    |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <u>\$ 154,242</u>     | <u>\$ 2,776</u> | <u>\$ 262,493</u>                           | <u>\$ 25,090</u> |



| Special Revenue Funds         |                                  |                      |                     | Total Nonmajor<br>Governmental<br>Funds |
|-------------------------------|----------------------------------|----------------------|---------------------|---|
| State<br>Police<br>Forefiture | Federal<br>Police<br>Forfeitures | Building<br>Security | Court<br>Technology |   |
| \$ 10,582                     | \$ 106,554                       | \$ 16,003            | \$ 18,467           | \$ 371,398                              |
| -                             | 320,802                          | -                    | -                   | 477,831                                 |
| -                             | -                                | -                    | -                   | 14,771                                  |
| -                             | -                                | -                    | -                   | 53,009                                  |
| <u>\$ 10,582</u>              | <u>\$ 427,356</u>                | <u>\$ 16,003</u>     | <u>\$ 18,467</u>    | <u>\$ 917,009</u>                       |
|                               |                                  |                      |                     |   |
| \$ -                          | \$ -                             | \$ -                 | \$ -                | \$ 447                                  |
| -                             | 2,685                            | 125                  | -                   | 10,244                                  |
| -                             | -                                | -                    | -                   | 26,945                                  |
| -                             | 2,685                            | 125                  | -                   | 37,636                                  |
| <u>10,582</u>                 | <u>424,671</u>                   | <u>15,878</u>        | <u>18,467</u>       | <u>879,373</u>                          |
| <u>10,582</u>                 | <u>424,671</u>                   | <u>15,878</u>        | <u>18,467</u>       | <u>879,373</u>                          |
| <u>\$ 10,582</u>              | <u>\$ 427,356</u>                | <u>\$ 16,003</u>     | <u>\$ 18,467</u>    | <u>\$ 917,009</u>                       |

CITY OF LEON VALLEY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED SEPTEMBER 30, 2019

|                                   | Special Revenue Funds |                 |   |                  |
|-----------------------------------|-----------------------|-----------------|---|------------------|
|                                   | Community<br>Center   | Grants          | Crime Control<br>and Prevention<br>District | Child<br>Safety  |
| <b>REVENUES</b>                   |                       |                 |   |                  |
| Sales Taxes                       | \$ -                  | \$ -            | \$ 302,334                                  | \$ -             |
| Occupancy Taxes                   | 89,936                | -               | -   | -                |
| Fines and Forfeitures             | -                     | -               | -   | 19,391           |
| Grants                            | -                     | 3,479           | -   | -                |
| Rent                              | 77,660                | -               | -   | -                |
| Investment Earnings               | -                     | -               | 3,587                                       | -                |
| Miscellaneous                     | 19,768                | -               | -   | -                |
| <b>TOTAL REVENUES</b>             | <u>187,364</u>        | <u>3,479</u>    | <u>305,921</u>                              | <u>19,391</u>    |
| <b>EXPENDITURES</b>               |                       |                 |   |                  |
| Current:                          |                       |                 |   |                  |
| Administration                    | -                     | -               | -   | -                |
| Public Safety                     | -                     | 3,447           | 337,827                                     | 13,838           |
| Community Development             | 105,272               | -               | -   | -                |
| Capital Outlay                    | 33,546                | -               | -   | -                |
| <b>TOTAL EXPENDITURES</b>         | <u>138,818</u>        | <u>3,447</u>    | <u>337,827</u>                              | <u>13,838</u>    |
| <b>Net Change in Fund Balance</b> | 48,546                | 32              | (31,906)                                    | 5,553            |
| <b>Fund Balances, Beginning</b>   | <u>77,381</u>         | <u>2,744</u>    | <u>288,385</u>                              | <u>19,040</u>    |
| <b>Fund Balances, Ending</b>      | <u>\$ 125,927</u>     | <u>\$ 2,776</u> | <u>\$ 256,479</u>                           | <u>\$ 24,593</u> |

| Special Revenue Funds         |                                 |                      |                     | Total Nonmajor<br>Governmental<br>Funds |
|-------------------------------|---------------------------------|----------------------|---------------------|---|
| State<br>Police<br>Forfeiture | Federal<br>Police<br>Forfeiture | Building<br>Security | Court<br>Technology |   |
| \$ -                          | \$ -                            | \$ -                 | \$ -                | \$ 302,334                              |
| -                             | -                               | -                    | -                   | 89,936                                  |
| 3,996                         | 107,302                         | 15,730               | 20,932              | 167,351                                 |
| -                             | -                               | -                    | -                   | 3,479                                   |
| -                             | -                               | -                    | -                   | 77,660                                  |
| -                             | 12,672                          | -                    | -                   | 16,259                                  |
| -                             | -                               | -                    | -                   | 19,768                                  |
| <u>3,996</u>                  | <u>119,974</u>                  | <u>15,730</u>        | <u>20,932</u>       | <u>676,787</u>                          |
| -                             | -                               | -                    | 16,965              | 16,965                                  |
| -                             | 362,515                         | 6,861                | -                   | 724,488                                 |
| -                             | -                               | -                    | -                   | 105,272                                 |
| -                             | 266,901                         | -                    | -                   | 300,447                                 |
| <u>-</u>                      | <u>629,416</u>                  | <u>6,861</u>         | <u>16,965</u>       | <u>1,147,172</u>                        |
| 3,996                         | (509,442)                       | 8,869                | 3,967               | (470,385)                               |
| <u>6,586</u>                  | <u>934,113</u>                  | <u>7,009</u>         | <u>14,500</u>       | <u>1,349,758</u>                        |
| <u>\$ 10,582</u>              | <u>\$ 424,671</u>               | <u>\$ 15,878</u>     | <u>\$ 18,467</u>    | <u>\$ 879,373</u>                       |

CITY OF LEON VALLEY  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
COMMUNITY CENTER FUND  
YEAR ENDED SEPTEMBER 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

|                                   | Budgeted Amounts |                  | 2019<br>Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) | 2018<br>Actual<br>Amounts |
|-----------------------------------|------------------|------------------|---------------------------|--|---------------------------|
|                                   | Original         | Final            |                           |  |                           |
| <b>REVENUES</b>                   |                  |                  |                           |  |                           |
| Occupancy Taxes                   | \$ 88,000        | \$ 88,000        | \$ 89,936                 | \$ 1,936   | \$ 94,639                 |
| Rent                              | 57,400           | 57,400           | 77,660                    | 20,260   | 61,176                    |
| Investment Earnings               | -                | -                | -                         | -  | 1,864                     |
| Miscellaneous                     | -                | -                | 19,768                    | 19,768   | 18,221                    |
| <b>TOTAL REVENUES</b>             | <u>145,400</u>   | <u>145,400</u>   | <u>187,364</u>            | <u>41,964</u>  | <u>175,900</u>            |
| <b>EXPENDITURES</b>               |                  |                  |                           |  |                           |
| Current:                          |                  |                  |                           |  |                           |
| Community Development             | 144,287          | 144,287          | 105,272                   | 39,015   | 193,948                   |
| Capital Outlay                    | 13,244           | 58,244           | 33,546                    | 24,698   | -                         |
| <b>TOTAL EXPENDITURES</b>         | <u>157,531</u>   | <u>202,531</u>   | <u>138,818</u>            | <u>63,713</u>  | <u>193,948</u>            |
| <b>Net Change in Fund Balance</b> | (12,131)         | (57,131)         | 48,546                    | 105,677  | (18,048)                  |
| <b>FUND BALANCE, BEGINNING</b>    | <u>77,381</u>    | <u>77,381</u>    | <u>77,381</u>             | <u>-</u>   | <u>95,429</u>             |
| <b>FUND BALANCE, ENDING</b>       | <u>\$ 65,250</u> | <u>\$ 20,250</u> | <u>\$ 125,927</u>         | <u>\$ 105,677</u>  | <u>\$ 77,381</u>          |

CITY OF LEON VALLEY  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
GRANTS FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

|                                   | Budgeted Amounts |                 | 2019            | Variance with                           | 2018            |
|-----------------------------------|------------------|-----------------|-----------------|---|-----------------|
|                                   | Original         | Final           | Actual          | Final Budget-<br>Positive<br>(Negative) | Actual          |
| REVENUES                          |                  |                 | Amounts         |   | Amounts         |
| Grants                            | \$ 3,162         | \$ 3,162        | \$ 3,479        | \$ 317                                  | \$ 3,163        |
| <b>TOTAL REVENUES</b>             | <u>3,162</u>     | <u>3,162</u>    | <u>3,479</u>    | <u>317</u>                              | <u>3,163</u>    |
| <b>EXPENDITURES</b>               |                  |                 |                 |   |                 |
| Current:                          |                  |                 |                 |   |                 |
| Public Safety                     | 4,549            | 4,549           | 3,447           | 1,102                                   | 1,566           |
| <b>TOTAL EXPENDITURES</b>         | <u>4,549</u>     | <u>4,549</u>    | <u>3,447</u>    | <u>1,102</u>                            | <u>1,566</u>    |
| <b>Net Change in Fund Balance</b> | (1,387)          | (1,387)         | 32              | 1,419                                   | 1,597           |
| <b>FUND BALANCE, BEGINNING</b>    | <u>2,744</u>     | <u>2,744</u>    | <u>2,744</u>    | -                                       | <u>1,147</u>    |
| <b>FUND BALANCE, ENDING</b>       | <u>\$ 1,357</u>  | <u>\$ 1,357</u> | <u>\$ 2,776</u> | <u>\$ 1,419</u>                         | <u>\$ 2,744</u> |

CITY OF LEON VALLEY  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
CRIME CONTROL PREVENTION FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

|                                   | Budgeted Amounts  |                   | 2019<br>Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) | 2018<br>Actual<br>Amounts |
|-----------------------------------|-------------------|-------------------|---------------------------|--|---------------------------|
|                                   | Original          | Final             |                           |  |                           |
| <b>REVENUES</b>                   |                   |                   |                           |  |                           |
| Sales Tax                         | \$ 292,360        | \$ 292,360        | \$ 302,334                | \$ 9,974   | \$ 298,059                |
| Investment Earnings               | -                 | -                 | 3,587                     | 3,587  | 2,335                     |
| <b>TOTAL REVENUES</b>             | <u>292,360</u>    | <u>292,360</u>    | <u>305,921</u>            | <u>13,561</u>  | <u>300,394</u>            |
| <b>EXPENDITURES</b>               |                   |                   |                           |  |                           |
| Current:                          |                   |                   |                           |  |                           |
| Public Safety                     | <u>347,833</u>    | <u>347,833</u>    | <u>337,827</u>            | <u>10,006</u>  | <u>303,838</u>            |
| <b>TOTAL EXPENDITURES</b>         | <u>347,833</u>    | <u>347,833</u>    | <u>337,827</u>            | <u>10,006</u>  | <u>303,838</u>            |
| <b>Net Change in Fund Balance</b> | (55,473)          | (55,473)          | (31,906)                  | 23,567   | (3,444)                   |
| <b>FUND BALANCE, BEGINNING</b>    | <u>288,385</u>    | <u>288,385</u>    | <u>288,385</u>            | -  | <u>291,829</u>            |
| <b>FUND BALANCE, ENDING</b>       | <u>\$ 232,912</u> | <u>\$ 232,912</u> | <u>\$ 256,479</u>         | <u>\$ 23,567</u>   | <u>\$ 288,385</u>         |

CITY OF LEON VALLEY  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
CHILD SAFETY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

|                                   | Budgeted Amounts |                  | 2019<br>Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) | 2018<br>Actual<br>Amounts |
|-----------------------------------|------------------|------------------|---------------------------|--|---------------------------|
|                                   | Original         | Final            |                           |  |                           |
| <b>REVENUES</b>                   |                  |                  |                           |  |                           |
| Fines and Forfeitures             | \$ 14,000        | \$ 14,000        | \$ 19,391                 | \$ 5,391   | \$ 15,557                 |
| <b>TOTAL REVENUES</b>             | <u>14,000</u>    | <u>14,000</u>    | <u>19,391</u>             | <u>5,391</u>   | <u>15,557</u>             |
| <b>EXPENDITURES</b>               |                  |                  |                           |  |                           |
| Current:                          |                  |                  |                           |  |                           |
| Public Safety                     | 17,426           | 17,426           | 13,838                    | 3,588  | 12,249                    |
| <b>TOTAL EXPENDITURES</b>         | <u>17,426</u>    | <u>17,426</u>    | <u>13,838</u>             | <u>3,588</u>   | <u>12,249</u>             |
| <b>Net Change in Fund Balance</b> | (3,426)          | (3,426)          | 5,553                     | 8,979  | 3,308                     |
| <b>FUND BALANCE, BEGINNING</b>    | <u>19,040</u>    | <u>19,040</u>    | <u>19,040</u>             | -  | <u>15,732</u>             |
| <b>FUND BALANCE, ENDING</b>       | <u>\$ 15,614</u> | <u>\$ 15,614</u> | <u>\$ 24,593</u>          | <u>\$ 8,979</u>  | <u>\$ 19,040</u>          |

CITY OF LEON VALLEY  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
STATE POLICE FORFEITURE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

|                                   | Budgeted Amounts |                 | 2019             | Variance with                           | 2018            |
|-----------------------------------|------------------|-----------------|------------------|---|-----------------|
|                                   | Original         | Final           | Actual           | Final Budget-<br>Positive<br>(Negative) | Actual          |
| REVENUES                          |                  |                 | Amounts          |   | Amounts         |
| Fines and Forfeitures             | \$ -             | \$ -            | \$ 3,996         | \$ 3,996                                | \$ -            |
| <b>TOTAL REVENUES</b>             | <u>-</u>         | <u>-</u>        | <u>3,996</u>     | <u>3,996</u>                            | <u>-</u>        |
| <b>EXPENDITURES</b>               |                  |                 |                  |   |                 |
| Current:                          |                  |                 |                  |   |                 |
| Public Safety                     | -                | -               | -                | -                                       | -               |
| <b>TOTAL EXPENDITURES</b>         | <u>-</u>         | <u>-</u>        | <u>-</u>         | <u>-</u>                                | <u>-</u>        |
| <b>Net Change in Fund Balance</b> | -                | -               | <b>3,996</b>     | 3,996                                   | -               |
| <b>FUND BALANCE, BEGINNING</b>    | <u>6,586</u>     | <u>6,586</u>    | <u>6,586</u>     | <u>-</u>                                | <u>6,586</u>    |
| <b>FUND BALANCE, ENDING</b>       | <u>\$ 6,586</u>  | <u>\$ 6,586</u> | <u>\$ 10,582</u> | <u>\$ 3,996</u>                         | <u>\$ 6,586</u> |



CITY OF LEON VALLEY  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
FEDERAL POLICE FORFEITURE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

|                                   | Budgeted Amounts  |                   | 2019              | Variance with                           | 2018              |
|-----------------------------------|-------------------|-------------------|-------------------|---|-------------------|
|                                   | Original          | Final             | Actual            | Final Budget-<br>Positive<br>(Negative) | Actual            |
|                                   |                   |                   | Amounts           |   | Amounts           |
| <b>REVENUES</b>                   |                   |                   |                   |   |                   |
| Fines and Forfeitures             | \$ -              | \$ -              | \$ 107,302        | \$ 107,302                              | \$ 748,077        |
| Interest                          | -                 | -                 | 12,672            | 12,672                                  | 12,740            |
| Miscellaneous                     | -                 | -                 | -                 | -                                       | 544               |
| <b>TOTAL REVENUES</b>             | <u>-</u>          | <u>-</u>          | <u>119,974</u>    | <u>119,974</u>                          | <u>761,361</u>    |
| <b>EXPENDITURES</b>               |                   |                   |                   |   |                   |
| Current:                          |                   |                   |                   |   |                   |
| Public Safety                     | 289,463           | 319,360           | 362,515           | (43,155)                                | 318,727           |
| Capital Outlay                    | 290,833           | 340,833           | 266,901           | 73,932                                  | -                 |
| <b>TOTAL EXPENDITURES</b>         | <u>580,296</u>    | <u>660,193</u>    | <u>629,416</u>    | <u>30,777</u>                           | <u>318,727</u>    |
| <b>Net Change in Fund Balance</b> | (580,296)         | (660,193)         | (509,442)         | 150,751                                 | 442,634           |
| <b>FUND BALANCE, BEGINNING</b>    | <u>934,113</u>    | <u>934,113</u>    | <u>934,113</u>    | <u>-</u>                                | <u>491,479</u>    |
| <b>FUND BALANCE, ENDING</b>       | <u>\$ 353,817</u> | <u>\$ 273,920</u> | <u>\$ 424,671</u> | <u>\$ 150,751</u>                       | <u>\$ 934,113</u> |

CITY OF LEON VALLEY  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
BUILDING SECURITY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

|                                   | Budgeted Amounts |                 | 2019             | Variance with                           | 2018            |
|-----------------------------------|------------------|-----------------|------------------|---|-----------------|
|                                   | Original         | Final           | Actual           | Final Budget-<br>Positive<br>(Negative) | Actual          |
|                                   |                  |                 | Amounts          |   | Amounts         |
| <b>REVENUES</b>                   |                  |                 |                  |   |                 |
| Fines and Forfeitures             | \$ 8,000         | \$ 8,000        | \$ 15,730        | \$ 7,730                                | \$ 10,573       |
| <b>TOTAL REVENUES</b>             | <u>8,000</u>     | <u>8,000</u>    | <u>15,730</u>    | <u>7,730</u>                            | <u>10,573</u>   |
| <b>EXPENDITURES</b>               |                  |                 |                  |   |                 |
| Current:                          |                  |                 |                  |   |                 |
| Public Safety                     | 7,598            | 7,598           | 6,861            | 737                                     | 5,225           |
| <b>TOTAL EXPENDITURES</b>         | <u>7,598</u>     | <u>7,598</u>    | <u>6,861</u>     | <u>737</u>                              | <u>5,225</u>    |
| <b>Net Change in Fund Balance</b> | 402              | 402             | 8,869            | 8,467                                   | 5,348           |
| <b>FUND BALANCE, BEGINNING</b>    | <u>7,009</u>     | <u>7,009</u>    | <u>7,009</u>     | -                                       | <u>1,661</u>    |
| <b>FUND BALANCE, ENDING</b>       | <u>\$ 7,411</u>  | <u>\$ 7,411</u> | <u>\$ 15,878</u> | <u>\$ 8,467</u>                         | <u>\$ 7,009</u> |

CITY OF LEON VALLEY  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
COURT TECHNOLOGY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2018)

|                                   | Budgeted Amounts |                 | 2019             | Variance with                           | 2018             |
|-----------------------------------|------------------|-----------------|------------------|---|------------------|
|                                   | Original         | Final           | Actual           | Final Budget-<br>Positive<br>(Negative) | Actual           |
|                                   |                  |                 | Amounts          |   | Amounts          |
| <b>REVENUES</b>                   |                  |                 |                  |   |                  |
| Fines and Forfeitures             | \$ 10,600        | \$ 10,600       | \$ 20,932        | \$ 10,332                               | \$ 14,127        |
| <b>TOTAL REVENUES</b>             | <u>10,600</u>    | <u>10,600</u>   | <u>20,932</u>    | <u>10,332</u>                           | <u>14,127</u>    |
| <b>EXPENDITURES</b>               |                  |                 |                  |   |                  |
| Current:                          |                  |                 |                  |   |                  |
| Administration                    | 17,283           | 17,283          | 16,965           | 318                                     | 13,283           |
| <b>TOTAL EXPENDITURES</b>         | <u>17,283</u>    | <u>17,283</u>   | <u>16,965</u>    | <u>318</u>                              | <u>13,283</u>    |
| <b>Net Change in Fund Balance</b> | (6,683)          | (6,683)         | 3,967            | 10,014                                  | 844              |
| <b>FUND BALANCE, BEGINNING</b>    | <u>14,500</u>    | <u>14,500</u>   | <u>14,500</u>    | -                                       | <u>13,656</u>    |
| <b>FUND BALANCE, ENDING</b>       | <u>\$ 7,817</u>  | <u>\$ 7,817</u> | <u>\$ 18,467</u> | <u>\$ 10,014</u>                        | <u>\$ 14,500</u> |

CITY OF LEON VALLEY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
DEBT SERVICE  
YEAR ENDED SEPTEMBER 30, 2019

|  | Budgeted Amounts  |                   | 2019<br>Actual<br>Amounts | Variance With<br>Final Budget -<br>Positive<br>(Negative) | 2018<br>Actual    |
|--|-------------------|-------------------|---------------------------|---|-------------------|
|  | Original          | Final             |                           |   |                   |
| <b>REVENUES</b>  |                   |                   |                           |   |                   |
| Property Taxes   | \$ 700,852        | \$ 700,852        | \$ 627,250                | \$ (73,602)   | \$ 690,362        |
| <b>TOTAL REVENUES</b>  | <u>700,852</u>    | <u>700,852</u>    | <u>627,250</u>            | <u>(73,602)</u>   | <u>690,362</u>    |
| <b>EXPENDITURES</b>  |                   |                   |                           |   |                   |
| <i>Debt Service:</i>   |                   |                   |                           |   |                   |
| Principal  | 480,000           | 480,000           | 440,000                   | 40,000  | 475,000           |
| Interest and Fiscal Charges  | 262,862           | 262,862           | 195,495                   | 67,367  | 205,810           |
| <b>TOTAL EXPENDITURES</b>  | <u>742,862</u>    | <u>742,862</u>    | <u>635,495</u>            | <u>107,367</u>  | <u>680,810</u>    |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <u>(42,010)</u>   | <u>(42,010)</u>   | <u>(8,245)</u>            | <u>33,765</u>   | <u>9,552</u>      |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                   |                   |                           |   |                   |
| Transfers In   | 107,113           | 107,113           | (481)                     | (107,594)   | 751               |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>                      | <u>107,113</u>    | <u>107,113</u>    | <u>(481)</u>              | <u>(107,594)</u>  | <u>751</u>        |
| <b>Net Change in Fund Balance</b>                                    | 65,103            | 65,103            | (8,726)                   | (73,829)  | 10,303            |
| <b>FUND BALANCE - BEGINNING</b>                                      | <u>350,175</u>    | <u>350,175</u>    | <u>350,175</u>            | <u>-</u>  | <u>339,874</u>    |
| <b>FUND BALANCE - ENDING</b>   | <u>\$ 415,278</u> | <u>\$ 415,278</u> | <u>\$ 341,449</u>         | <u>\$ (73,829)</u>  | <u>\$ 350,177</u> |

## STATISTICAL SECTION

This part of the City of Leon Valley's annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

### Financial Trends (Tables 1 through 4)

Net Position by Component  
Change in Net Position  
Fund Balances, Governmental Funds  
Changes in Fund Balances, Governmental Funds

*These schedules contain trend information to help reader understand how the City's financial performance and well-being have changed over time.*

### Revenue Capacity (Tables 5 through 12)

Tax Revenues by Source, Governmental Funds  
Assessed Value and Estimated Actual Value of Taxable Property  
Direct and Overlapping Property Tax Rates  
Principal Property Taxpayers  
Property Tax Levies and Collections  
Total Water Sold by Type of Customer  
Water and Sewer Rates  
Taxable Assessed Value

*These schedules contain information to help readers assess the factors affecting the City's ability to generate its property and sales tax.*

### Debt Capacity (Tables 13 through 17)

Ratios of Outstanding Debt by Type  
Ratios of General Bonded Debt Outstanding  
Direct and Overlapping Governmental Activities Debt  
Debt Margin Information  
Pledged Revenue Coverage

*These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.*

### Demographic and Economic Information (Tables 18 through 19)

Demographic and Economic Statistics  
Principal Employers

*These schedules offer demographic and economic indicators to help the reader understand how the City's financial activities take place and to help make comparisons over time and with other governments.*

### Operating Information (Tables 20 through 22)

Full-time Equivalent City Government Employees by Function  
Operating Indicators by Function/Program  
Capital Asset Statistics by Function/Program

*These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.*

CITY OF LEON VALLEY  
NET POSITION, BY COMPONENT  
LAST TEN FISCAL YEARS

|  | Fiscal Year          |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | 2010                 | 2011                 | 2012                 | 2013                 |
| <i>Governmental Activities</i>               |                      |                      |                      |                      |
| Net Investment in Capital Assets             | \$ 6,213,549         | \$ 5,639,798         | \$ 5,934,633         | \$ 6,374,117         |
| Restricted                                   | 132,581              | 101,101              | 101,677              | 157,074              |
| Unrestricted                                 | 4,180,108            | 4,686,001            | 4,708,814            | 6,496,088            |
| <i>Total Governmental Activities</i>         |                      |                      |                      |                      |
| <i>Net Position</i>                          | <u>\$ 10,526,238</u> | <u>\$ 10,426,900</u> | <u>\$ 10,745,124</u> | <u>\$ 13,027,279</u> |
| <i>Business-Type Activities</i>              |                      |                      |                      |                      |
| Net Investment in Capital Assets             | \$ 3,897,305         | \$ 4,138,854         | \$ 3,998,041         | \$ 3,867,460         |
| Restricted                                   | 339,733              | 568,056              | 762,316              | 1,066,500            |
| Unrestricted                                 | 2,147,223            | 2,137,671            | 1,966,216            | 1,829,758            |
| <i>Total Business-Type Activities</i>        |                      |                      |                      |                      |
| <i>Net Position</i>                          | <u>\$ 6,384,261</u>  | <u>\$ 6,844,581</u>  | <u>\$ 6,726,573</u>  | <u>\$ 6,763,718</u>  |
| <i>Primary Government</i>                    |                      |                      |                      |                      |
| Net Investment in Capital Assets             | \$ 10,110,854        | \$ 9,778,652         | \$ 9,932,674         | \$ 10,241,577        |
| Restricted                                   | 472,314              | 669,157              | 863,993              | 1,223,574            |
| Unrestricted                                 | 6,327,331            | 6,823,672            | 6,675,030            | 8,325,846            |
| <i>Total Primary Government Net Position</i> | <u>\$ 16,910,499</u> | <u>\$ 17,271,481</u> | <u>\$ 17,471,697</u> | <u>\$ 19,790,997</u> |

Note – GASB Statement No. 68 has been prospectively implemented in year-end 2015. Years 2009 – 2017 have not been restated for adoption of GASB Statement No. 75.

TABLE 1

| Fiscal Year          |                      |                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 |
| \$ 7,414,439         | \$ 7,696,092         | \$ 8,324,593         | \$ 9,534,380         | \$ 12,241,969        | \$ 12,752,432        |
| 90,494               | 1,657,517            | 2,186,825            | 2,999,981            | 4,027,347            | 2,704,990            |
| 6,167,021            | 2,656,933            | 2,696,144            | 2,342,091            | 2,432,332            | 2,048,407            |
| <u>\$ 13,671,954</u> | <u>\$ 12,010,542</u> | <u>\$ 13,207,562</u> | <u>\$ 14,876,452</u> | <u>\$ 18,701,648</u> | <u>\$ 17,505,829</u> |
| \$ 4,057,126         | \$ 4,113,942         | \$ 4,367,353         | \$ 4,049,170         | \$ 4,162,165         | \$ 4,872,274         |
| 993,268              | 908,705              | 1,042,946            | 1,279,204            | 1,225,716            | 1,595,199            |
| 1,873,123            | 1,533,589            | 1,205,378            | 2,179,050            | 2,562,095            | 2,118,143            |
| <u>\$ 6,923,517</u>  | <u>\$ 6,556,236</u>  | <u>\$ 6,615,677</u>  | <u>\$ 7,507,424</u>  | <u>\$ 7,949,976</u>  | <u>\$ 8,585,616</u>  |
| \$ 11,471,565        | \$ 11,810,034        | \$ 12,691,946        | \$ 13,583,550        | \$ 16,404,134        | \$ 17,624,706        |
| 1,083,762            | 2,566,222            | 3,229,771            | 4,279,185            | 5,253,063            | 4,300,189            |
| 8,040,144            | 4,190,522            | 3,901,522            | 4,521,141            | 4,994,427            | 4,166,550            |
| <u>\$ 20,595,471</u> | <u>\$ 18,566,778</u> | <u>\$ 19,823,239</u> | <u>\$ 22,383,876</u> | <u>\$ 26,651,624</u> | <u>\$ 26,091,445</u> |

CITY OF LEON VALLEY  
CHANGE IN NET POSITION  
LAST TEN FISCAL YEARS

|   | Fiscal Year                 |                             |                             |                             |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|   | 2010                        | 2011                        | 2012                        | 2013                        |
| <b>Expenses</b>                               |                             |                             |                             |                             |
| <i>Governmental Activities</i>                |                             |                             |                             |                             |
| Administration                                | \$ 940,156                  | \$ 849,230                  | \$ 764,140                  | \$ 910,636                  |
| Public Safety                                 | 4,525,947                   | 4,502,741                   | 4,344,695                   | 4,335,920                   |
| Public Works                                  | 1,624,573                   | 1,715,642                   | 1,714,581                   | 1,140,612                   |
| Parks and Recreation                          | 144,742                     | 135,728                     | 117,840                     | 113,792                     |
| Library                                       | 274,701                     | 264,260                     | 322,688                     | 322,587                     |
| Communications                                | -                           | -                           | -                           | -                           |
| Community Development                         | 664,712                     | 666,326                     | 610,394                     | 566,113                     |
| Interest and Fiscal Agent Fees                | 122,184                     | 117,639                     | 107,645                     | 275,120                     |
| <i>Total Governmental Activities Expenses</i> | <u>8,297,015</u>            | <u>8,251,566</u>            | <u>7,981,983</u>            | <u>7,664,780</u>            |
| <i>Business-Type Activities</i>               |                             |                             |                             |                             |
| Water/Wastewater Utilities                    | 2,631,544                   | 2,796,812                   | 3,218,973                   | 3,282,774                   |
| <i>Total Business-Type Activities</i>         | <u>2,631,544</u>            | <u>2,796,812</u>            | <u>3,218,973</u>            | <u>3,282,774</u>            |
| <b>Total Primary Government Expenses</b>      | <u><u>\$ 10,928,559</u></u> | <u><u>\$ 11,048,378</u></u> | <u><u>\$ 11,200,956</u></u> | <u><u>\$ 10,947,554</u></u> |
| <b>Program Revenues</b>                       |                             |                             |                             |                             |
| <i>Governmental Activities</i>                |                             |                             |                             |                             |
| Charges for Service:                          |                             |                             |                             |                             |
| Administration                                | \$ 330,541                  | \$ 288,791                  | \$ 595,568                  | \$ 298,947                  |
| Public Safety                                 | 1,589,362                   | 1,082,149                   | 849,832                     | 833,662                     |
| Parks and Recreation                          | 15,010                      | 16,790                      | 16,186                      | 15,544                      |
| Library                                       | 1,987                       | 3,102                       | 2,329                       | 1,972                       |
| Community Development                         | 97,399                      | 118,723                     | 119,382                     | 97,193                      |
| Operating Grants and Contributions            | 9,953                       | 49,602                      | 117,275                     | 82,626                      |
| Capital Grants and Contributions              | 218,790                     | 81,683                      | -                           | 372,585                     |
| <i>Total Governmental Activities</i>          |                             |                             |                             |                             |
| <i>Program Revenues</i>                       | <u>2,263,042</u>            | <u>1,640,840</u>            | <u>1,700,572</u>            | <u>1,702,529</u>            |
| <i>Business-Type Activities</i>               |                             |                             |                             |                             |
| Charges for Service:                          |                             |                             |                             |                             |
| Water/Wastewater Utilities                    | 2,840,701                   | 3,115,598                   | 3,039,389                   | 3,291,009                   |
| Operating Grants and Contributions            | -                           | -                           | -                           | -                           |
| Capital Grants and Contributions              | -                           | -                           | -                           | -                           |
| <i>Total Business-Type Activities</i>         |                             |                             |                             |                             |
| <i>Program Revenues</i>                       | <u>2,840,701</u>            | <u>3,115,598</u>            | <u>3,039,389</u>            | <u>3,291,009</u>            |
| <b>Total Primary Government</b>               |                             |                             |                             |                             |
| <b>Program Revenues</b>                       | <u><u>\$ 5,103,743</u></u>  | <u><u>\$ 4,756,438</u></u>  | <u><u>\$ 4,739,961</u></u>  | <u><u>\$ 4,993,538</u></u>  |

Note – GASB Statement No. 68 has been prospectively implemented in year-end 2015. Years 2009 – 2017 have not been restated for adoption of GASB Statement No. 75.



TABLE 2

| Fiscal Year   |               |               |               |               |               |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 2014          | 2015          | 2016          | 2017          | 2018          | 2019          |
| \$ 828,573    | \$ 983,952    | \$ 1,125,550  | \$ 1,052,772  | \$ 1,163,357  | \$ 1,134,888  |
| 4,536,351     | 4,701,582     | 4,598,579     | 5,731,890     | 6,825,574     | 10,029,264    |
| 1,650,987     | 2,363,083     | 1,492,449     | 1,960,573     | 1,366,183     | 3,110,746     |
| 186,386       | 169,947       | 228,169       | 357,055       | 372,372       | 306,749       |
| 302,721       | 320,572       | 367,252       | 375,764       | 421,642       | 413,677       |
| -             | -             | 355,508       | 322,727       | -             | -             |
| 641,724       | 676,880       | 880,111       | 753,029       | 828,978       | 932,724       |
| 248,324       | 239,237       | 205,890       | 228,101       | 201,460       | 186,603       |
| 8,395,066     | 9,455,253     | 9,253,508     | 10,781,911    | 11,179,566    | 16,114,651    |
| 3,365,772     | 3,481,521     | 3,752,522     | 3,901,345     | 4,720,880     | 4,978,650     |
| 3,365,772     | 3,481,521     | 3,752,522     | 3,901,345     | 4,720,880     | 4,978,650     |
| \$ 11,760,838 | \$ 12,936,774 | \$ 13,006,030 | \$ 14,683,256 | \$ 15,900,446 | \$ 21,093,301 |
| \$ 284,034    | \$ 258,388    | \$ 537,825    | \$ 319,498    | \$ 336,768    | \$ 661,149    |
| 803,036       | 694,303       | 724,018       | 1,620,197     | 2,556,313     | 3,441,827     |
| 15,586        | 13,850        | 15,632        | -             | -             | -             |
| 3,490         | 3,521         | 4,249         | -             | -             | -             |
| 168,648       | 166,775       | 167,074       | 76,357        | 61,176        | 77,660        |
| 95,028        | 240,763       | 160,001       | 476,415       | 526,275       | 130,103       |
| -             | 170,747       | 37,766        | -             | 1,670,428     | 105,767       |
| 1,369,822     | 1,548,347     | 1,646,565     | 2,492,467     | 5,150,960     | 4,416,506     |
| 3,275,292     | 3,481,570     | 3,683,776     | 4,589,550     | 4,623,442     | 5,218,441     |
| -             | -             | -             | 120,165       | -             | -             |
| -             | -             | -             | -             | 485,976       | 302,632       |
| 3,275,292     | 3,481,570     | 3,683,776     | 4,709,715     | 5,109,418     | 5,521,073     |
| \$ 4,645,114  | \$ 5,029,917  | \$ 5,330,341  | \$ 7,202,182  | \$ 10,260,378 | \$ 9,937,579  |

CITY OF LEON VALLEY  
CHANGE IN NET POSITION (CONTINUED)  
LAST TEN FISCAL YEARS

|  | Fiscal Year           |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 2010                  | 2011                  | 2012                  | 2013                  |
| <b>Net (Expenses)/Revenue</b>                                  |                       |                       |                       |                       |
| Governmental Activities  | \$ (6,033,973)        | \$ (6,610,726)        | \$ (6,281,411)        | \$ (5,962,251)        |
| Business-Type Activities                                       | 209,157               | 318,786               | (179,584)             | 8,235                 |
| Total Primary Government Net Expenses                          | <u>\$ (5,824,816)</u> | <u>\$ (6,291,940)</u> | <u>\$ (6,460,995)</u> | <u>\$ (5,954,016)</u> |
| <b>Governmental Revenues and Other Changes in Net Position</b> |                       |                       |                       |                       |
| <i>Governmental Activities</i>                                 |                       |                       |                       |                       |
| Taxes:   |                       |                       |                       |                       |
| Property Taxes   | \$ 3,552,821          | \$ 3,522,321          | \$ 3,550,430          | \$ 3,834,233          |
| Sales Taxes  | 2,141,200             | 2,179,060             | 2,245,560             | 3,592,293             |
| Franchise Taxes  | 677,001               | 728,548               | 708,434               | 701,468               |
| Occupancy Taxes  | 66,701                | 74,287                | 82,409                | 83,470                |
| Interest and Investment Earnings                               | 8,546                 | 7,172                 | 6,795                 | 12,804                |
| Miscellaneous  | 11,025                | -                     | 6,007                 | 20,138                |
| Transfers  | 54,000                | -                     | -                     | -                     |
| <i>Total Governmental Activities</i>                           | <u>6,511,294</u>      | <u>6,511,388</u>      | <u>6,599,635</u>      | <u>8,244,406</u>      |
| <i>Business-Type Activities</i>                                |                       |                       |                       |                       |
| Interest and Investment Earnings                               | 14,634                | 4,444                 | 3,827                 | 3,374                 |
| Miscellaneous  | 32,953                | 44,575                | 56,453                | 35,609                |
| Impact Fees  | 83,782                | 239,490               | 81,254                | 22,593                |
| Transfers  | -                     | (54,000)              | -                     | -                     |
| <i>Total Business-Type Activities</i>                          | <u>131,369</u>        | <u>234,509</u>        | <u>141,534</u>        | <u>61,576</u>         |
| Total Primary Government                                       | <u>\$ 6,642,663</u>   | <u>\$ 6,745,897</u>   | <u>\$ 6,741,169</u>   | <u>\$ 8,305,982</u>   |
| <b>Changes In Net Position</b>                                 |                       |                       |                       |                       |
| Government Activities  | \$ 477,321            | \$ (99,338)           | \$ 318,224            | \$ 2,282,155          |
| Business-Type Activities                                       | 340,526               | 553,295               | (38,050)              | 69,811                |
| Total Primary Government                                       | <u>\$ 817,847</u>     | <u>\$ 453,957</u>     | <u>\$ 280,174</u>     | <u>\$ 2,351,966</u>   |

TABLE 2 (Continued)

| Fiscal Year           |                       |                       |                       |                       |                        |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| 2014                  | 2015                  | 2016                  | 2017                  | 2018                  | 2019                   |
| \$ (7,025,244)        | \$ (7,906,906)        | \$ (7,606,943)        | \$ (8,289,444)        | \$ (6,028,606)        | \$ (11,698,145)        |
| (90,480)              | 49                    | (68,746)              | 808,370               | 388,538               | 542,423                |
| <u>\$ (7,115,724)</u> | <u>\$ (7,906,857)</u> | <u>\$ (7,675,689)</u> | <u>\$ (7,481,074)</u> | <u>\$ (5,640,068)</u> | <u>\$ (11,155,722)</u> |
|                       |                       |                       |                       |                       |                        |
| \$ 4,021,701          | \$ 4,122,721          | \$ 4,440,697          | \$ 4,752,901          | \$ 4,944,531          | \$ 5,113,648           |
| 2,918,244             | 3,058,953             | 3,177,019             | 3,517,289             | 3,687,415             | 3,746,775              |
| 895,174               | 974,361               | 1,072,898             | 1,104,166             | 961,149               | 919,205                |
| 91,125                | 86,661                | 67,691                | 80,600                | 94,639                | 89,936                 |
| 4,277                 | 4,678                 | 17,663                | 55,460                | 134,411               | 233,900                |
| 26,879                | 21,896                | 27,995                | 447,168               | 371,832               | 399,343                |
| 20,000                | 70,000                | -                     | 750                   | (47,650)              | (481)                  |
| <u>7,977,400</u>      | <u>8,339,270</u>      | <u>8,803,963</u>      | <u>9,958,334</u>      | <u>10,146,327</u>     | <u>10,502,326</u>      |
|                       |                       |                       |                       |                       |                        |
| 2,579                 | 889                   | 1,270                 | 11,987                | 60,337                | 92,436                 |
| 5,914                 | 144,390               | 84,682                | 116,200               | -                     | 300                    |
| 20,417                | -                     | -                     | -                     | -                     | -                      |
| -                     | (20,000)              | (70,000)              | -                     | 47,650                | 481                    |
| <u>28,910</u>         | <u>125,279</u>        | <u>15,952</u>         | <u>128,187</u>        | <u>107,987</u>        | <u>93,217</u>          |
| <u>\$ 8,006,310</u>   | <u>\$ 8,464,549</u>   | <u>\$ 8,819,915</u>   | <u>\$ 10,086,521</u>  | <u>\$ 10,254,314</u>  | <u>\$ 10,595,543</u>   |
|                       |                       |                       |                       |                       |                        |
| \$ 952,156            | \$ 432,364            | \$ 1,197,020          | \$ 1,668,890          | \$ 4,117,721          | \$ (1,195,819)         |
| (61,570)              | 125,328               | (52,794)              | 936,557               | 496,525               | 635,640                |
| <u>\$ 890,586</u>     | <u>\$ 557,692</u>     | <u>\$ 1,144,226</u>   | <u>\$ 2,605,447</u>   | <u>\$ 4,614,246</u>   | <u>\$ (560,179)</u>    |

CITY OF LEON VALLEY  
FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

|   | Fiscal Year         |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | 2010                | 2011                | 2012                | 2013                |
| <i>General Fund:</i>                      |                     |                     |                     |                     |
| Reserved                                  | \$ 132,581          | \$ -                | \$ -                | \$ -                |
| Unreserved                                | 3,066,450           | -                   | -                   | -                   |
| Nonspendable                              |                     | 50,745              | 51,278              | 54,278              |
| Restricted                                |                     | 49,551              | 49,642              | 101,977             |
| Committed                                 |                     | 800,000             | 800,000             | 900,000             |
| Assigned                                  |                     | 56,642              | 14,135              | 139,135             |
| Unassigned                                |                     | 2,352,926           | 2,400,386           | 2,456,717           |
| <i>Total General Fund</i>                 | <u>\$ 3,199,031</u> | <u>\$ 3,309,864</u> | <u>\$ 3,315,441</u> | <u>\$ 3,652,107</u> |
| <i>All Other Governmental Funds:</i>      |                     |                     |                     |                     |
| Reserved                                  | \$ 165,926          | \$ -                | \$ -                | \$ -                |
| Unreserved                                |                     |                     |                     |                     |
| Special Revenue                           | 1,272,358           | -                   | -                   | -                   |
| Nonspendable                              | -                   | 805                 | 757                 | 819                 |
| Restricted                                | -                   | 1,245,121           | 8,136,892           | 8,419,977           |
| Committed                                 | -                   | -                   | -                   | -                   |
| Assigned                                  | -                   | -                   | -                   | -                   |
| Unassigned                                | -                   | 73,307              | 486,730             | 1,413,694           |
| <i>Total All Other Governmental Funds</i> | <u>\$ 1,438,284</u> | <u>\$ 1,319,233</u> | <u>\$ 8,624,379</u> | <u>\$ 9,834,490</u> |

Note: In 2011 the City implemented GASB 54 Fund Balance Reporting and Governmental Fund Type Definitions; the information for the previous years has not been restated.

TABLE 3

| Fiscal Year         |                     |                     |                     |                     |                     |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 2014                | 2015                | 2016                | 2017                | 2018                | 2019                |
| \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| -                   | -                   | -                   | -                   | -                   | -                   |
| 54,631              | 56,442              | 14,201              | 52,650              | 11,163              | 5,824               |
| 90,494              | 114,962             | 154,393             | 497,329             | 23,868              | 235,416             |
| 900,000             | 900,000             | 900,000             | 1,000,000           | 1,000,000           | 1,000,000           |
| 25,275              | 25,275              | 25,275              | 80,700              | 459,127             | 1,154,763           |
| 2,756,058           | 2,779,498           | 3,567,496           | 3,508,662           | 3,359,401           | 4,370,549           |
| <u>\$ 3,826,458</u> | <u>\$ 3,876,177</u> | <u>\$ 4,661,365</u> | <u>\$ 5,139,341</u> | <u>\$ 4,853,559</u> | <u>\$ 6,766,552</u> |
|                     |                     |                     |                     |                     |                     |
| \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | -                   |
| -                   | -                   | -                   | -                   | -                   | -                   |
| -                   | -                   | -                   | -                   | -                   | -                   |
| 1,310               | 1,990               | -                   | 2,095               | -                   | -                   |
| 5,862,738           | 2,874,942           | 2,032,432           | 2,502,591           | 3,499,337           | 2,463,234           |
| 795,672             | 664,842             | -                   | -                   | -                   | -                   |
| 105,373             | 111,139             | 93,679              | -                   | -                   | -                   |
| -                   | -                   | -                   | -                   | -                   | -                   |
| <u>\$ 6,765,093</u> | <u>\$ 3,652,913</u> | <u>\$ 2,126,111</u> | <u>\$ 2,504,686</u> | <u>\$ 3,499,337</u> | <u>\$ 2,463,234</u> |

CITY OF LEON VALLEY  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

|  | Fiscal Year         |                   |                     |                     |
|--|---------------------|-------------------|---------------------|---------------------|
|  | 2010                | 2011              | 2012                | 2013                |
| <b>REVENUES</b>  |                     |                   |                     |                     |
| Property Taxes   | \$ 3,505,728        | \$ 3,546,031      | \$ 3,544,081        | \$ 3,809,355        |
| Nonproperty Taxes  | 2,207,900           | 2,253,347         | 2,327,969           | 2,503,411           |
| Grants/Intergovernmental                                     | 228,508             | 89,868            | 6,122               | 4,523               |
| Licenses, Permits, Fees and Fines                            | 2,642,310           | 2,154,692         | 1,860,659           | 1,858,150           |
| CIED   | -                   | -                 | 379,918             | 1,172,352           |
| Other  | 88,796              | 131,999           | 175,109             | 456,679             |
| <b>TOTAL REVENUES</b>  | <u>8,673,242</u>    | <u>8,175,937</u>  | <u>8,293,858</u>    | <u>9,804,470</u>    |
| <b>EXPENDITURES</b>  |                     |                   |                     |                     |
| Current:   |                     |                   |                     |                     |
| Administrative   | 919,564             | 817,259           | 713,738             | 870,697             |
| Public Safety  | 5,246,693           | 4,228,132         | 4,177,616           | 4,116,594           |
| Public Works   | 1,446,744           | 1,542,290         | 1,552,725           | 972,484             |
| Parks and Recreation   | 153,947             | 102,914           | 91,824              | 86,802              |
| Library  | 266,327             | 259,858           | 310,725             | 267,588             |
| Communications   | -                   | -                 | -                   | -                   |
| Community Development  | 629,371             | 610,750           | 566,914             | 554,087             |
| Capital Outlay   | 337,443             | 209,674           | 155,265             | 772,922             |
| Debt Service:  |                     |                   |                     |                     |
| Principal  | 265,000             | 300,000           | 310,000             | 345,000             |
| Interest   | 140,513             | 112,278           | 242,502             | 270,019             |
| Fiscal Agent Fees and Bond Issue Costs                       | 10,000              | 1,000             | 1,000               | 1,500               |
| <b>TOTAL EXPENDITURES</b>                                    | <u>9,415,602</u>    | <u>8,184,155</u>  | <u>8,122,309</u>    | <u>8,257,693</u>    |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | <u>(742,360)</u>    | <u>(8,218)</u>    | <u>171,549</u>      | <u>1,546,777</u>    |
| <b>OTHER FINANCING<br/>SOURCES (USES)</b>                    |                     |                   |                     |                     |
| Proceeds from Sale of Assets                                 | -                   | -                 | -                   | -                   |
| Transfers In   | 72,000              | 18,000            | 18,000              | 237,216             |
| Transfers Out  | (18,000)            | (18,000)          | (18,000)            | (237,216)           |
| Proceeds from Bonds  | -                   | -                 | 7,000,000           | -                   |
| Bond Premium   | -                   | -                 | 139,174             | -                   |
| Proceeds from Refunding Bond                                 | -                   | -                 | -                   | -                   |
| Payments to Refunding Bonds                                  | -                   | -                 | -                   | -                   |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>              | <u>54,000</u>       | <u>-</u>          | <u>7,139,174</u>    | <u>-</u>            |
| <b>NET CHANGE IN FUND BALANCE</b>                            | <u>\$ (688,360)</u> | <u>\$ (8,218)</u> | <u>\$ 7,310,723</u> | <u>\$ 1,546,777</u> |
| Debt Service as a Percentage of<br>Noncapital Expenditures   | 4.6%                | 5.2%              | 6.9%                | 8.2%                |

TABLE 4

| Fiscal Year    |                |              |              |              |              |
|----------------|----------------|--------------|--------------|--------------|--------------|
| 2014           | 2015           | 2016         | 2017         | 2018         | 2019         |
| \$ 4,012,433   | \$ 4,143,068   | \$ 4,432,407 | \$ 4,755,462 | \$ 4,940,751 | \$ 5,104,964 |
| 3,009,369      | 3,145,614      | 3,333,880    | 4,702,056    | 4,743,203    | 4,755,916    |
| 8,104          | 8,852          | 7,394        | 233,473      | 2,184,103    | 235,870      |
| 1,988,654      | 2,123,854      | 2,132,647    | 1,939,695    | 3,014,022    | 4,177,392    |
| -              | -              | -            | -            | -            | -            |
| 299,392        | 416,576        | 535,910      | 821,919      | 457,535      | 636,484      |
| 9,317,952      | 9,837,964      | 10,442,238   | 12,452,605   | 15,339,614   | 14,910,626   |
| 769,842        | 951,121        | 1,035,474    | 878,060      | 937,870      | 933,682      |
| 4,258,045      | 4,609,076      | 4,320,120    | 5,179,406    | 6,663,001    | 7,886,368    |
| 1,462,747      | 2,238,664      | 1,319,658    | 1,809,169    | 1,135,180    | 2,562,290    |
| 157,643        | 142,794        | 198,429      | 324,379      | 358,460      | 281,387      |
| 288,871        | 317,049        | 346,782      | 360,023      | 402,110      | 407,886      |
| -              | -              | 348,793      | 322,727      | -            | -            |
| 583,068        | 624,724        | 823,889      | 699,342      | 768,403      | 857,365      |
| 3,909,161      | 3,408,801      | 2,110,337    | 1,341,443    | 3,137,262    | 968,781      |
| 420,000        | 430,000        | 445,000      | 460,000      | 475,000      | 440,000      |
| 257,121        | 245,946        | 233,370      | 222,255      | 205,809      | 195,495      |
| 1,500          | 2,250          | 2,000        | -            | -            | -            |
| 12,107,998     | 12,970,425     | 11,183,852   | 11,596,804   | 14,083,095   | 14,533,254   |
| (2,790,046)    | (3,132,461)    | (741,614)    | 855,801      | 1,256,519    | 377,372      |
| -              | -              | -            | -            | -            | -            |
| 220,770        | 590,803        | 707,203      | 750          | 750          | -            |
| (200,770)      | (520,803)      | (707,203)    | -            | (48,400)     | (481)        |
| -              | -              | -            | -            | -            | -            |
| -              | -              | -            | -            | -            | -            |
| -              | -              | -            | -            | -            | -            |
| -              | -              | -            | -            | -            | -            |
| 20,000         | 70,000         | -            | 750          | (47,650)     | (481)        |
| \$ (2,770,046) | \$ (3,062,461) | \$ (741,614) | \$ 856,551   | \$ 1,208,869 | \$ 376,891   |
| 8.3%           | 7.1%           | 7.5%         | 6.7%         | 6.2%         | 4.7%         |

CITY OF LEON VALLEY  
TAX REVENUE BY SOURCE – GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

TABLE 5

| Fiscal<br>Year | Property     | Sales & Use  | Occupancy | Franchise  | Total<br>Revenue |
|----------------|--------------|--------------|-----------|------------|------------------|
| 2010           | \$ 3,505,728 | \$ 2,141,199 | \$ 66,701 | \$ 677,001 | \$ 6,390,629     |
| 2011           | 3,546,031    | 2,253,347    | 74,287    | 728,548    | 6,602,213        |
| 2012           | 3,544,081    | 2,327,969    | 82,409    | 708,434    | 6,662,893        |
| 2013           | 3,809,355    | 2,503,411    | 83,470    | 701,468    | 7,097,704        |
| 2014           | 4,012,433    | 3,009,369    | 91,125    | 895,174    | 8,008,101        |
| 2015           | 4,143,068    | 3,145,614    | 86,661    | 974,361    | 8,349,704        |
| 2016           | 4,432,407    | 3,333,880    | 67,691    | 983,728    | 8,817,706        |
| 2017           | 4,755,462    | 3,517,290    | 80,600    | 1,104,166  | 9,457,518        |
| 2018           | 4,940,751    | 3,687,415    | 94,639    | 961,149    | 9,683,954        |
| 2019           | 5,104,964    | 3,746,775    | 89,936    | 919,205    | 9,860,880        |



CITY OF LEON VALLEY  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS

TABLE 6

| Fiscal<br>Year | Total Taxable<br>Assessed<br>Value | Total<br>Direct<br>Tax Rate |
|----------------|------------------------------------|-----------------------------|
| 2010           | \$ 675,661,811                     | 0.527400                    |
| 2011           | 692,616,036                        | 0.527400                    |
| 2012           | 675,836,102                        | 0.527400                    |
| 2013           | 677,076,160                        | 0.527400                    |
| 2014           | 681,878,582                        | 0.535510                    |
| 2015           | 707,418,512                        | 0.574282                    |
| 2016           | 740,061,497                        | 0.582915                    |
| 2017           | 817,913,902                        | 0.575507                    |
| 2018           | 887,140,474                        | 0.561615                    |
| 2019           | 997,287,526                        | 0.545877                    |

*Source: Bexar, Comal and Guadalupe County Appraisal Districts*

*NOTES: Property in the City of Leon Valley is reassessed every year at estimated actual value. For this reason, assessed value is equal to estimated actual value. Tax rates are per \$100 of assessed value. Total taxable assessed value is before any applicable freeze adjustments.*

CITY OF LEON VALLEY  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(UNAUDITED)

TABLE 7

| Fiscal<br>Year | City Direct Rates |                 |                 | Overlapping Rates  |                 |
|----------------|-------------------|-----------------|-----------------|--------------------|-----------------|
|                | General<br>Fund   | Debt<br>Service | Total<br>Direct | School<br>District | Bexar<br>County |
| 2010           | 0.4616            | 0.0634          | 0.5249          | 1.3375             | 0.3269          |
| 2011           | 0.4640            | 0.0634          | 0.5274          | 1.3650             | 0.3269          |
| 2012           | 0.4727            | 0.0628          | 0.5355          | 1.3755             | 0.3269          |
| 2013           | 0.4768            | 0.0975          | 0.5743          | 1.3755             | 0.3269          |
| 2014           | 0.4768            | 0.1062          | 0.5829          | 1.3755             | 0.3269          |
| 2015           | 0.4768            | 0.0988          | 0.5755          | 1.3755             | 0.3145          |
| 2016           | 0.4712            | 0.0904          | 0.5616          | 1.3755             | 0.3145          |
| 2017           | 0.4746            | 0.0820          | 0.5566          | 1.3755             | 0.3090          |
| 2018           | 0.4788            | 0.0778          | 0.5566          | 1.3755             | 0.3041          |
| 2019           | 0.4783            | 0.0676          | 0.5459          | 1.3755             | 0.3011          |

|      | Overlapping Rates              |                                   |                               |
|------|--------------------------------|-----------------------------------|-------------------------------|
|      | University<br>Health<br>System | San Antonio<br>River<br>Authority | Alamo<br>Community<br>College |
| 2010 | 0.26624                        | 0.01595                           | 0.13586                       |
| 2011 | 0.27624                        | 0.01665                           | 0.14162                       |
| 2012 | 0.27624                        | 0.01737                           | 0.14162                       |
| 2013 | 0.27624                        | 0.01737                           | 0.14915                       |
| 2014 | 0.27624                        | 0.01780                           | 0.14915                       |
| 2015 | 0.27624                        | 0.01750                           | 0.14915                       |
| 2016 | 0.27624                        | 0.01729                           | 0.14915                       |
| 2017 | 0.27624                        | 0.01729                           | 0.14915                       |
| 2018 | 0.27624                        | 0.01729                           | 0.14915                       |
| 2019 | 0.27624                        | 0.18580                           | 0.14915                       |

Source: Bexar County Tax Offices

NOTE: Overlapping rates are those of local and county governments that apply within the City of Leon Valley. Not all overlapping rates apply to all City of Leon Valley property owners.

CITY OF LEON VALLEY  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO

TABLE 8

| Taxpayer                      | 2019                   |      |   | 2010                   |      |   |
|-------------------------------|------------------------|------|---|------------------------|------|---|
|                               | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Ancira-Winton Chevrolet       | \$ 31,622,270          | 1    | 3.17%   | \$ 13,871,667          | 3    | 2.00%   |
| San Antonio Vista Del Rey LLC | 27,000,000             | 2    | 2.71%   | 14,730,150             | 2    | 2.13%   |
| TRT HEB Marketplace LP        | 22,800,000             | 3    | 2.29%   | 23,115,620             | 1    | 3.34%   |
| Shadow Valley Apartments LLP  | 17,500,100             | 4    | 1.75%   | 9,480,100              | 7    | 1.37%   |
| Leors Holdings LLC            | 15,522,000             | 5    | 1.56%   | 12,908,885             | 4    | 1.77%   |
| Barcelona Lofts LLC           | 15,500,000             | 5    | 1.55%   | 11,246,985             | 6    | 1.62%   |
| Omninet Tower LP              | 12,700,000             | 7    | 1.27%   | -                      | -    | -   |
| Forest Oaks Living LLC        | 11,500,000             | 8    | 1.15%   | -                      | -    | -   |
| Leon SA Income Partners LP    | 9,500,000              | 9    | 0.95%   | -                      | -    | -   |
| SA West Loop II Investors LTD | 8,300,000              | 10   | 0.83%   | 8,500,000              | 9    | 1.23%   |
| Stonewater Tower West         | -                      | -    | -   | 12,250,000             | 5    | 1.77%   |
| Southwestern Bell             | -                      | -    | -   | 8,757,410              | 8    | 1.26%   |
| Fiesta Lincoln Mercury        | -                      | -    | -   | 7,187,420              | 10   | 1.04%   |
| TOTALS                        | <u>\$ 171,944,370</u>  |      | <u>17.24%</u>                                   | <u>\$ 122,048,237</u>  |      | <u>17.53%</u>                                   |
| TOTAL TAXABLE ASSESSED VALUE  | <u>\$ 997,287,526</u>  |      |   | <u>\$ 675,661,811</u>  |      |   |

Source: Bexar County Appraisal District

CITY OF LEON VALLEY  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)

TABLE 9

| Fiscal Year<br>Ended<br>September 30, | Taxes Levied<br>for the<br>Fiscal Year | Collected Within<br>Fiscal Year of Levy |              | Collections In<br>Subsequent<br>Years | Total Collections<br>To Date |              |
|---------------------------------------|--|---|--------------|---------------------------------------|------------------------------|--------------|
|                                       |  | Amount                                  | % of<br>Levy |                                       | Amount                       | % of<br>Levy |
| 2010                                  | \$ 3,570,525                           | \$ 3,450,690                            | 96.64%       | \$ 104,425                            | \$ 3,555,115                 | 99.57%       |
| 2011                                  | 3,485,988                              | 3,437,057                               | 98.60%       | 42,345                                | 3,479,402                    | 99.81%       |
| 2012                                  | 3,553,034                              | 3,485,684                               | 98.10%       | 61,664                                | 3,547,348                    | 99.84%       |
| 2013                                  | 3,817,953                              | 3,755,784                               | 98.37%       | 53,085                                | 3,808,869                    | 99.76%       |
| 2014                                  | 4,023,348                              | 3,940,694                               | 97.95%       | 70,355                                | 4,011,049                    | 99.69%       |
| 2015                                  | 4,130,740                              | 4,050,446                               | 98.06%       | 68,286                                | 4,118,732                    | 99.71%       |
| 2016                                  | 4,432,631                              | 4,369,996                               | 98.59%       | 47,761                                | 4,417,757                    | 99.66%       |
| 2017                                  | 4,738,086                              | 4,685,787                               | 98.90%       | 35,843                                | 4,685,787                    | 98.90%       |
| 2018                                  | 5,019,786                              | 4,966,303                               | 98.93%       | 27,113                                | 4,966,303                    | 98.93%       |
| 2019                                  | 5,137,625                              | 5,080,976                               | 98.90%       | -                                     | 5,080,976                    | 98.90%       |

*Source: Bexar County Appraisal District*

CITY OF LEON VALLEY  
WATER SOLD BY TYPE OF CUSTOMER  
LAST TEN FISCAL YEARS  
(UNAUDITED)

TABLE 10

| Type of Customer                    | Fiscal Year           |                       |                       |                       |                       |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                     | 2010                  | 2011                  | 2012                  | 2013                  | 2014                  |
| Residential                         | \$ 178,416,148        | \$ 228,768,000        | \$ 201,840,600        | \$ 189,931,000        | \$ 184,014,000        |
| Commerical                          | 129,071,600           | 133,301,040           | 122,936,377           | 123,088,895           | 120,423,155           |
| Total                               | <u>\$ 307,487,748</u> | <u>\$ 362,069,040</u> | <u>\$ 324,776,977</u> | <u>\$ 313,019,895</u> | <u>\$ 304,437,155</u> |
| Total Direct Rate per 1,000 Gallons | <u>\$ 0.96</u>        | <u>\$ 0.99</u>        | <u>\$ 1.02</u>        | <u>\$ 1.05</u>        | <u>\$ 1.08</u>        |

| Type of Customer                    | Fiscal Year           |                       |                       |                       |                       |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                     | 2015                  | 2016                  | 2017                  | 2018                  | 2019                  |
| Residential                         | \$ 176,710,000        | \$ 177,355,000        | \$ 160,769,000        | \$ 155,524,000        | \$ 142,601,000        |
| Commerical                          | 131,218,294           | 142,359,865           | 132,729,922           | 128,377,775           | 128,044,700           |
| Total                               | <u>\$ 307,928,294</u> | <u>\$ 319,714,865</u> | <u>\$ 293,498,922</u> | <u>\$ 283,901,775</u> | <u>\$ 270,645,700</u> |
| Total Direct Rate per 1,000 Gallons | <u>\$ 1.08</u>        | <u>\$ 1.08</u>        | <u>\$ 3.18</u>        | <u>\$ 3.37</u>        | <u>\$ 3.56</u>        |

*Source: Leon Valley Water District.*

CITY OF LEON VALLEY  
WATER AND SEWER RATES  
LAST TEN FISCAL YEARS

TABLE 11

| Fiscal<br>Year | Water                |                           | Sewer                |                           |
|----------------|----------------------|---------------------------|----------------------|---------------------------|
|                | Monthly<br>Base Rate | Rate per<br>1,000 Gallons | Monthly<br>Base Rate | Rate per<br>1,000 Gallons |
| 2010           | 8.57                 | 0.99                      | 12.41                | 4.43                      |
| 2011           | 8.83                 | 1.02                      | 12.78                | 4.57                      |
| 2012           | 9.09                 | 1.05                      | 13.16                | 4.70                      |
| 2013           | 9.36                 | 1.08                      | 13.55                | 5.27                      |
| 2014           | 9.36                 | 1.08                      | 13.55                | 5.27                      |
| 2015           | 9.36                 | 1.08                      | 14.36                | 5.59                      |
| 2016           | 9.36                 | 1.08                      | 15.08                | 5.59                      |
| 2017           | 11.20                | 3.18                      | 15.08                | 5.83                      |
| 2018           | 11.48                | 3.37                      | 15.08                | 5.92                      |
| 2019           | 11.76                | 3.56                      | 15.08                | 6.24                      |

*NOTES: Rates are based on 5/8" meter, which is the standard household meter size.*

CITY OF LEON VALLEY  
TAXABLE ASSESSED VALUE  
LAST TEN FISCAL YEARS  
(UNAUDITED)

TABLE 12

| Fiscal<br>Year | Residential<br>Property | Commercial<br>Property | Industrial<br>Property | Less:<br>Tax-Exempt<br>Property | Total Taxable<br>Assessed<br>Value | Total<br>Direct<br>Tax Rate |
|----------------|-------------------------|------------------------|------------------------|---------------------------------|------------------------------------|-----------------------------|
| 2010           | \$ 454,788,574          | \$ 281,431,232         | \$ 5,600,760           | \$ 66,158,755                   | \$ 675,661,811                     | 0.527400                    |
| 2011           | 468,647,503             | 281,076,061            | 5,246,600              | 62,354,128                      | 692,616,036                        | 0.527400                    |
| 2012           | 456,646,017             | 280,720,343            | 5,025,705              | 66,555,963                      | 675,836,102                        | 0.527400                    |
| 2013           | 455,927,780             | 266,406,857            | 5,103,401              | 50,361,878                      | 677,076,160                        | 0.527400                    |
| 2014           | 460,768,403             | 265,776,360            | 5,426,124              | 50,092,305                      | 681,878,582                        | 0.535510                    |
| 2015           | 473,221,531             | 278,323,833            | 6,158,319              | 50,285,171                      | 707,418,512                        | 0.574282                    |
| 2016           | 504,499,829             | 288,913,043            | 5,574,551              | 58,925,926                      | 740,061,497                        | 0.582915                    |
| 2017           | 558,785,477             | 324,533,883            | 5,961,942              | 71,367,400                      | 817,913,902                        | 0.575507                    |
| 2018           | 597,606,183             | 361,183,881            | 6,527,631              | 78,177,221                      | 887,140,474                        | 0.561615                    |
| 2019           | 677,156,407             | 378,811,873            | 8,057,007              | 66,737,761                      | 997,287,526                        | 0.545877                    |

CITY OF LEON VALLEY  
RATIOS OF DEBT OUTSTANDING BY TYPE  
LAST TEN FISCAL YEARS

TABLE 13

| Fiscal<br>Year | General Bonded Debt Outstanding |  |                                  |              | Percentage of<br>Actual Taxable<br>Value of<br>Property | Per<br>Capita |
|----------------|---------------------------------|--|----------------------------------|--------------|---|---------------|
|                | General<br>Obligation<br>Bonds  | Private Property<br>Finance<br>Contracts | Certificates<br>of<br>Obligation | Total        |   |               |
| 2010           | \$ 2,340,000                    | \$ 1,030,000                             | \$ -                             | \$ 3,370,000 | 0.50%   | 365           |
| 2011           | \$ 2,080,000                    | \$ 990,000                               | \$ -                             | \$ 3,070,000 | 0.44%   | 283           |
| 2012           | 8,810,000                       | 950,000                                  | -                                | 9,760,000    | 1.44%   | 898           |
| 2013           | 8,505,000                       | 910,000                                  | -                                | 9,415,000    | 1.39%   | 866           |
| 2014           | 8,125,000                       | 870,000                                  | -                                | 8,995,000    | 1.32%   | 828           |
| 2015           | 7,857,138                       | 725,000                                  | -                                | 8,582,138    | 1.21%   | 790           |
| 2016           | 7,450,179                       | 825,000                                  | -                                | 8,275,179    | 1.12%   | 762           |
| 2017           | 7,028,220                       | 735,000                                  | 2,062,543                        | 9,825,763    | 1.20%   | 904           |
| 2018           | 6,596,261                       | 685,000                                  | 2,023,662                        | 9,304,923    | 1.05%   | 856           |
| 2019           | 6,199,302                       | 635,000                                  | 1,975,901                        | 8,810,203    | 0.88%   | 811           |

*NOTE: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. See Table 6 for the City's property tax value data. City population data can be found in Table 17.*



CITY OF LEON VALLEY  
RATIOS OF GENERAL BONDED DEBT OUSTANDING  
CURRENT YEAR

TABLE 14

| Fiscal<br>Year | Governmental Activities        |  |                                  |              |                  | Business-Type Activities |                                  | Total<br>Primary<br>Government | Percent<br>of Gross<br>Income | Per<br>Capita |
|----------------|--------------------------------|--|----------------------------------|--------------|------------------|--------------------------|----------------------------------|--------------------------------|-------------------------------|---------------|
|                | General<br>Obligation<br>Bonds | Private Property<br>Finance<br>Contracts | Certificates<br>of<br>Obligation | Tax<br>Notes | Capital<br>Lease | Revenue<br>Bonds         | Certificates<br>of<br>Obligation |                                |                               |               |
| 2010           | \$ 2,340,000                   | \$ 1,030,000                             | \$ -                             | \$ -         | \$ -             | \$ -                     | \$ -                             | \$ 3,370,000                   | 1.68%                         | 365           |
| 2011           | 2,080,000                      | 990,000                                  | -                                | -            | -                | -                        | -                                | 3,070,000                      | 1.13%                         | 283           |
| 2012           | 8,810,000                      | 950,000                                  | -                                | -            | -                | -                        | -                                | 9,760,000                      | 3.60%                         | 898           |
| 2013           | 8,505,000                      | 910,000                                  | -                                | -            | -                | -                        | -                                | 9,415,000                      | 3.47%                         | 866           |
| 2014           | 8,125,000                      | 870,000                                  | -                                | -            | -                | -                        | -                                | 8,995,000                      | 3.32%                         | 828           |
| 2015           | 7,857,138                      | 725,000                                  | -                                | -            | -                | -                        | -                                | 8,582,138                      | 3.17%                         | 790           |
| 2016           | 7,450,179                      | 780,000                                  | -                                | -            | -                | -                        | 2,086,424                        | 10,316,603                     | 3.81%                         | 949           |
| 2017           | 7,028,220                      | 735,000                                  | -                                | -            | -                | -                        | 2,062,543                        | 9,825,763                      | 3.63%                         | 904           |
| 2018           | 6,596,261                      | 685,000                                  | -                                | -            | -                | -                        | 2,023,662                        | 9,304,923                      | 3.43%                         | 856           |
| 2019           | 6,199,302                      | 635,000                                  | -                                | -            | -                | -                        | 1,975,901                        | 8,810,203                      | 3.25%                         | 811           |

*NOTE: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. See Table 6 for the City's property tax value data. City population data can be found in Table 17.*

CITY OF LEON VALLEY  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
CURRENT YEAR

TABLE 15

| Governmental Unit                        | Debt<br>Outstanding | Estimated<br>Percentage<br>Applicable* | Estimated<br>Share of<br>Overlapping<br>Debt |
|--|---------------------|--|--|
| <i>Debt repaid with property taxes:</i>  |                     |  |  |
| Alamo CCD                                | \$ 437,330,000      | 0.61%                                  | \$ 2,667,713                                 |
| Bexar County                             | 1,860,590,000       | 0.61%                                  | 11,349,599                                   |
| Bexar County Hospital District           | 840,300,000         | 0.61%                                  | 5,125,830                                    |
| Northside Independent School District    | 2,201,695,000       | 1.72%                                  | <u>37,869,154</u>                            |
| Subtotal, Overlapping Debt               |                     |  | 57,012,296                                   |
| City Governmental Activities Direct Debt |                     |  | <u>8,810,203</u>                             |
| <b>TOTAL NET OVERLAPPING DEBT</b>        |                     |  | <u><u>\$ 65,822,499</u></u>                  |

*NOTES: The overlapping debt was received from the Municipal Advisory Council of Texas. Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.*

*Overlapping debt is the proportionate share of the debts of local jurisdictions located wholly or in part within the limits of the City of Leon Valley. This schedule is intended to demonstrate the total debt that the City of Leon Valley property tax payers will be expected to repay. The amount of debt applicable to the City of Leon Valley is computed by (a) determining what portion of total assessed value of the overlapping jurisdiction lies within the limits of the City and (b) applying this percentage to the total governmental activities debt of the overlapping jurisdiction.*

CITY OF LEON VALLEY  
DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

TABLE 16

|                               |    |                    |
|-------------------------------|----|--------------------|
| Assessed Value, 2018 Tax Roll | \$ | <u>997,287,526</u> |
|-------------------------------|----|--------------------|

|   |    |            |
|---|----|------------|
| Debt Limit - Texas statutes do not provide a legal debt limit for cities; however, through accepted practice a practical "economic" debt limit is considered to be 10% of the assessed value. | \$ | 99,728,753 |
|---|----|------------|

Amount of Applicable Debt:

|                                |    |                  |                  |
|--------------------------------|----|------------------|------------------|
| General Bonded Debt            | \$ | 8,810,203        |                  |
| Less Debt Service Net Position |    | <u>(347,789)</u> | <u>8,462,414</u> |

|             |    |                          |
|-------------|----|--------------------------|
| DEBT MARGIN | \$ | <u><u>91,266,339</u></u> |
|-------------|----|--------------------------|

|   |       |
|---|-------|
| Total Net Debt as a Percentage of Debt Margin | 9.27% |
|---|-------|

|                                    | Fiscal Year          |                      |                      |
|------------------------------------|----------------------|----------------------|----------------------|
|                                    | 2016                 | 2017                 | 2018                 |
| Assessed Value                     | \$ 817,913,900       | \$ 887,140,474       | \$ 949,714,257       |
| Debt Limit                         | \$ 81,791,390        | \$ 88,714,047        | \$ 94,971,426        |
| Total Net Debt Applicable to Limit | 10,376,736           | 8,098,078            | 8,950,605            |
| Total Debt Margin                  | <u>\$ 71,414,654</u> | <u>\$ 80,615,969</u> | <u>\$ 86,020,821</u> |
|                                    |                      |                      |                      |
|                                    | 2013                 | 2014                 | 2015                 |
|                                    | 2013                 | 2014                 | 2015                 |
| Assessed Value                     | \$ 681,878,580       | \$ 707,418,510       | \$ 740,061,500       |
| Debt Limit                         | \$ 68,187,858        | \$ 70,741,851        | \$ 74,006,150        |
| Total Net Debt Applicable to Limit | 9,624,392            | 9,204,392            | 8,774,392            |
| Total Debt Margin                  | <u>\$ 58,563,466</u> | <u>\$ 61,537,459</u> | <u>\$ 65,231,758</u> |
|                                    |                      |                      |                      |
|                                    | 2010                 | 2011                 | 2012                 |
|                                    | 2010                 | 2011                 | 2012                 |
| Assessed Value                     | \$ 692,616,040       | \$ 675,836,100       | \$ 677,076,160       |
| Debt Limit                         | \$ 69,261,604        | \$ 67,583,610        | \$ 67,707,616        |
| Total Net Debt Applicable to Limit | 3,200,964            | 3,191,096            | 9,579,375            |
| Total Debt Margin                  | <u>\$ 66,060,640</u> | <u>\$ 64,392,514</u> | <u>\$ 58,128,241</u> |

CITY OF LEON VALLEY  
PLEDGED REVENUE COVERAGE  
LAST TEN FISCAL YEARS

TABLE 17

| Fiscal<br>Year | Water Revenue Bonds           |                                |                             |              |           |          |
|----------------|-------------------------------|--------------------------------|-----------------------------|--------------|-----------|----------|
|                | Utility<br>Service<br>Charges | Less:<br>Operating<br>Expenses | Net<br>Available<br>Revenue | Debt Service |           | Coverage |
|                |                               |                                |                             | Principal    | Interest  |          |
| 2019           | \$ 4,990,678                  | 4,920,092                      | \$ 70,586                   | \$ 10,000    | \$ 66,363 | 100.00   |
| 2018           | 4,586,249                     | 4,657,233                      | (70,984)                    | -            | -         | 100.00   |
| 2017           | 4,456,994                     | 3,833,400                      | 623,594                     | 35,000       | 69,057    | 100.00   |
| 2016           | 3,683,776                     | 3,752,522                      | (68,746)                    | -            | -         | 100.00   |
| 2015           | 3,481,570                     | 3,481,521                      | 49                          | -            | -         | 100.00   |
| 2014           | 3,275,292                     | 3,365,772                      | (90,480)                    | -            | -         | 100.00   |
| 2013           | 3,291,009                     | 3,282,744                      | 8,265                       | -            | -         | 100.00   |
| 2012           | 3,039,389                     | 3,218,973                      | (179,584)                   | -            | -         | 100.00   |
| 2011           | 3,115,598                     | 2,796,812                      | 318,786                     | -            | -         | 100.00   |
| 2010           | 2,840,701                     | 2,631,544                      | 209,157                     | -            | -         | 100.00   |

*NOTE: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. Operating expenses do not include depreciation, interest, amortization or joint venture expenses.*

CITY OF LEON VALLEY  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

TABLE 18

| <u>Fiscal Year</u> | <u>Population</u> | <u>Personal<br/>Income</u> | <u>Per Capita<br/>Personal<br/>Income</u> | <u>Median<br/>Age</u> | <u>School<br/>Enrollment</u> | <u>Unemployment<br/>Rate</u> |
|--------------------|-------------------|----------------------------|---|-----------------------|------------------------------|------------------------------|
| 2010               | 9,239             | 200,883,577                | 21,743                                    | 38.1                  | 3,850                        | 7.0%                         |
| 2011               | 10,866            | 270,954,576                | 24,936                                    | 40.0                  | 3,752                        | 7.3%                         |
| 2012               | 10,866            | 270,954,576                | 24,936                                    | 40.0                  | 4,130                        | 6.0%                         |
| 2013               | 10,866            | 270,954,576                | 24,936                                    | 40.0                  | 4,130                        | 6.0%                         |
| 2014               | 10,866            | 270,954,576                | 24,936                                    | 40.0                  | 4,130                        | 5.9%                         |
| 2015               | 10,866            | 270,954,576                | 24,936                                    | 40.0                  | 4,130                        | 5.1%                         |
| 2016               | 10,866            | 270,954,576                | 24,936                                    | 40.0                  | 4,198                        | 5.0%                         |
| 2017               | 10,866            | 270,954,576                | 24,936                                    | 40.0                  | 3,809                        | 4.2%                         |
| 2018               | 10,866            | 270,954,576                | 24,936                                    | 40.0                  | 3,809                        | 3.7%                         |
| 2019               | 10,866            | 270,954,576                | 24,936                                    | 40.0                  | 4,050                        | 3.2%                         |

*Sources: Population, personal income, median age and education level information are provided by the United States Census Bureau. School enrollment information is provided by the Northside Independent School District. Unemployment data is provided by the Texas Workforce Commission.*

CITY OF LEON VALLEY  
TOP TEN PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

TABLE 19

| <u>EMPLOYER</u>              | <u>2019</u>      |             |  | <u>2010</u>      |             |  |
|------------------------------|------------------|-------------|--|------------------|-------------|--|
|                              | <u>EMPLOYEES</u> | <u>RANK</u> | <u>PERCENTAGE<br/>OF TOTAL CITY<br/>EMPLOYMENT</u> | <u>EMPLOYEES</u> | <u>RANK</u> | <u>PERCENTAGE<br/>OF TOTAL CITY<br/>EMPLOYMENT</u> |
| H-E-B Food Stores            | 20,000           | 1           | 1.69%  | 14,588           | 4           | 1.69%  |
| USAA                         | 17,000           | 2           | 1.43%  | 14,852           | 3           | 1.60%  |
| Frost Bank                   | 3,982            | 3           | 0.34%  | -                | -           | -  |
| Bill Miller B-B-Q            | 3,540            | 4           | 0.30%  | -                | -           | -  |
| Rackspace                    | 3,300            | 5           | 0.28%  | -                | -           | -  |
| CPS Energy                   | 3,022            | 6           | 0.25%  | -                | -           | -  |
| Toyota                       | 2,900            | 7           | 0.24%  | -                | -           | -  |
| Clear Channel Communications | 2,800            | 8           | 0.24%  | -                | -           | -  |
| Southwest Research           | 2,715            | 9           | 0.23%  | -                | -           | -  |
| Valero Energy                | 1,653            | 10          | 0.14%  | -                | -           | -  |
| Fort San Houston-U.S. Army   | -                | -           | -  | 30,793           | 1           | 0  |
| Lackland Air Force Base      | -                | -           | -  | 28,100           | 2           | 0  |
| Northside ISD                | -                | -           | -  | 12,597           | 5           | 0  |
| Randolph Air Force Base      | -                | -           | -  | 10,700           | 6           | 0  |
| North East ISD               | -                | -           | -  | 10,223           | 7           | 0  |
| City of San Antonio          | -                | -           | -  | 9,000            | 8           | 0  |
| San Antonio ISD              | -                | -           | -  | 7,581            | 9           | 0  |
| Methodist Healthcare System  | -                | -           | -  | 7,013            | 10          | 0  |
| Total                        | <u>60,912</u>    |             | <u>6.01%</u>                                       | <u>53,246</u>    |             | <u>6.67%</u>                                       |

The City of Leon Valley is surrounded by the City of San Antonio and no data is available for the employers in Leon Valley. The above data is for San Antonio.

Source: San Antonio Economic Development Foundation.

CITY OF LEON VALLEY  
FULL-TIME EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS

TABLE 20

| <b>Function</b>               | Full-Time Equivalent Employees as of September 30, |              |              |              |              |              |              |              |              |              |
|-------------------------------|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                               | 2010   | 2011         | 2012         | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         |
| <u>General Government</u>     |  |              |              |              |              |              |              |              |              |              |
| Business Office               | 1.8  | 1.8          | 1.8          | 1.6          | 1.6          | 1.6          | 1.6          | 1.1          | 1.1          | 0.7          |
| Finance                       | 2.4  | 2.4          | 2.2          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 1.5          | 1.1          |
| Manager and Council           | 2.4  | 2.4          | 2.3          | 2.0          | 3.0          | 3.0          | 3.9          | 2.5          | 3.3          | 2.8          |
| <u>Public Safety</u>          |  |              |              |              |              |              |              |              |              |              |
| Police                        |  |              |              |              |              |              |              |              |              |              |
| Officers                      | 24.0   | 24.0         | 24.0         | 23.0         | 23.0         | 24.0         | 25.0         | 28.5         | 37.0         | 38.0         |
| Civilians                     | 8.0  | 8.0          | 8.0          | 8.0          | 9.9          | 3.9          | 1.0          | 1.0          | 2.5          | 2.5          |
| Fire                          |  |              |              |              |              |              |              |              |              |              |
| Firefighters and Officers     | 0.5  | 0.5          | 27.0         | 26.0         | 0.5          | 26.0         | 26.0         | 27.0         | 27.0         | 27.0         |
| Civilians                     | 27.0   | 27.0         | 0.5          | 0.5          | 26.0         | 0.5          | 0.5          | 1.0          | 1.0          | 1.0          |
| <u>Public Works</u>           | 14.8   | 14.8         | 13.1         | 12.6         | 12.6         | 12.6         | 13.2         | 13.3         | 13.3         | 13.3         |
| <u>Development Activities</u> | 4.0  | 4.0          | 3.5          | 3.4          | 1.6          | 1.6          | 1.6          | 2.6          | 3.3          | 4.0          |
| <u>Economic Development</u>   | 1.2  | 1.2          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 1.0          | 0.6          | 0.8          |
| <u>Parks</u>                  | 1.5  | 1.5          | 1.5          | 1.5          | 1.5          | 1.5          | 1.5          | 1.5          | 1.5          | 1.5          |
| <u>Library</u>                | 3.5  | 3.5          | 3.5          | 3.5          | 3.5          | 4.5          | 4.5          | 4.5          | 4.5          | 4.5          |
| <u>Communications</u>         | -  | -            | -            | -            | -            | 6.0          | 2.0          | 2.0          | -            | -            |
| <u>Community Center</u>       | 2.1  | 2.1          | 0.6          | 1.6          | 1.6          | 1.6          | 1.6          | 1.1          | 1.6          | 1.0          |
| <u>Water and Sewer</u>        | 12.85  | 12.85        | 16.04        | 18.35        | 18.7         | 18.2         | 17.6         | 17.4         | 17.4         | 17.4         |
| <b>TOTAL</b>                  | <u>106.0</u>                                       | <u>106.0</u> | <u>106.0</u> | <u>106.0</u> | <u>107.5</u> | <u>109.0</u> | <u>104.0</u> | <u>106.5</u> | <u>115.5</u> | <u>115.5</u> |

Source: City Adopted Budgets

Note: Full-time equivalent is based on the schedule hours of positions to a 40 hour work week.

CITY OF LEON VALLEY  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

| <b>Function</b>                                     | <b>Fiscal Year</b> |             |           |           |           |
|---|--------------------|-------------|-----------|-----------|-----------|
|   | 2010               | 2011        | 2012      | 2013      | 2014      |
| <u>Police</u>                                       |                    |             |           |           |           |
| Arrests   | 1279.0             | 1050.0      | 837.0     | 635.0     | 629.0     |
| Traffic Violations                                  | 12201.0            | 10845.0     | 9279.0    | 5218.0    | 5010.0    |
| <u>Fire</u>   |                    |             |           |           |           |
| Fire Calls  | 786.0              | 931.0       | 765.0     | 712.0     | 890.0     |
| EMS Calls   | 1051.0             | 1062.0      | 1038.0    | 1174.0    | 1151.0    |
| Number of Inspections                               | 1351.0             | 1290.0      | 1256.0    | 1022.0    | 1009.0    |
| <u>Public Works</u>                                 |                    |             |           |           |           |
| Streets resurfacing (Miles)                         | 5.4                | 8.4         | 0.0       | 7.7       | 8.0       |
| Sidewalk Construction (Feet)                        | 1463.0             | 682.0       | 1621.0    | 682.0     | 687.0     |
| <u>Library</u>                                      |                    |             |           |           |           |
| Reference Questions                                 | 6,000.0            | 6,897.0     | 5,868.0   | 5,287.0   | 7,000.0   |
| Internet Sessions                                   | 7,354.0            | 7,226.0     | 18,242.0  | 16,882.0  | 6,266.0   |
| Library Acquisitions                                | 4,861.0            | 3,323.0     | 2,953.0   | 2,912.0   | 2,176.0   |
| <u>Water</u>  |                    |             |           |           |           |
| Daily Average Consumption<br>(thousands of gallons) | 842,432.0          | 1,005,747.0 | 889,800.0 | 857,588.0 | 962,846.0 |
| Total Customers                                     | 2,469.00           | 2,508.00    | 2,523.00  | 2,526.00  | 2,544.00  |
| Average Use Per Connection                          | 341.20             | 401.02      | 352.68    | 339.50    | 378.48    |
| <u>Sewer</u>  |                    |             |           |           |           |
| Total Customers                                     | 2387.0             | 2428.0      | 2551.0    | 2457.0    | 2457.0    |
| Daily Average<br>Treatment (Gallons)                | 989,705.0          | 748,356.0   | 705,557.0 | 687,267.0 | 700,672.0 |

Source: Various City Departments. Prior year information for some functions is not available.



TABLE 21

| Fiscal Year |           |           |           |           |
|-------------|-----------|-----------|-----------|-----------|
| 2015        | 2016      | 2017      | 2018      | 2019      |
| 722.0       | 915.0     | 535.0     | 789.0     | 1221.0    |
| 3915.0      | 4963.0    | 3643.0    | 7616.0    | 10156.0   |
| 1183.0      | 942.0     | 505.0     | 598.0     | 441.0     |
| 1136.0      | 1472.0    | 2081.0    | 1704.0    | 1561.0    |
| 480.0       | 310.0     | 730.0     | 724.0     | 392.0     |
| 5.0         | 1.0       | 2.3       | 1.2       | 4.1       |
| 1304.0      | 2060.0    | 1957.0    | 350.0     | 1020.0    |
| 6,485.0     | 7,681.0   | 7,149.0   | 7,384.0   | 10,393.0  |
| 6,497.0     | 8,055.0   | 8,346.0   | 17,456.0  | 17,857.0  |
| 1,823.0     | 2,011.0   | 2,352.0   | 2,269.0   | 1,760.0   |
| 843,639.0   | 869,649.0 | 804,105.0 | 777,813.0 | 741,495.0 |
| 2,561.00    | 2,574.00  | 2,583.00  | 2,601.00  | 2,613.00  |
| 329.42      | 337.86    | 311.31    | 299.04    | 283.77    |
| 2456.0      | 2479.0    | 2489.0    | 2505.0    | 2613.0    |
| 703,607.0   | 681,173.0 | 703,502.0 | 697,762.0 | 679,844.0 |

CITY OF LEON VALLEY  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

| <u>Function</u>             | <u>Fiscal Year</u> |             |             |             |             |
|-----------------------------|--------------------|-------------|-------------|-------------|-------------|
|                             | <u>2010</u>        | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| <u>Police</u>               |                    |             |             |             |             |
| Stations                    | 1.0                | 1.0         | 1.0         | 1.0         | 1.0         |
| Patrol Units                | 24.0               | 24.0        | 24.0        | 24.0        | 24.0        |
| <u>Fire</u>                 |                    |             |             |             |             |
| Stations                    | 1.0                | 1.0         | 1.0         | 1.0         | 1.0         |
| Fire Fighters               | 27.0               | 27.0        | 26.0        | 26.0        | 26.0        |
| <u>Streets</u>              |                    |             |             |             |             |
| Streets, paved (miles)      | 39.5               | 39.5        | 39.5        | 39.5        | 39.5        |
| <u>Parks and Recreation</u> |                    |             |             |             |             |
| Parks - Developed           | 1.0                | 1.0         | 1.0         | 1.0         | 1.0         |
| Parks - Acreage             | 24.0               | 24.0        | 24.0        | 24.0        | 24.0        |
| Swimming Pools              | 1.0                | 1.0         | 1.0         | 1.0         | 1.0         |
| Tennis Courts               | 1.0                | 1.0         | 1.0         | 1.0         | 1.0         |
| Community Centers           | 2.0                | 2.0         | 2.0         | 2.0         | 2.0         |
| <u>Library</u>              |                    |             |             |             |             |
| Facility                    | 1.0                | 1.0         | 1.0         | 1.0         | 1.0         |
| <u>Water</u>                |                    |             |             |             |             |
| Number of Hydrants          | 208.0              | 208.0       | 208.0       | 208.0       | 208.0       |
| Water Mains (Miles)         | 39.5               | 39.5        | 39.5        | 39.5        | 39.5        |
| <u>Sewer</u>                |                    |             |             |             |             |
| Sanitary Sewers (Miles)     | 47.5               | 47.5        | 47.5        | 47.5        | 47.5        |
| Storm Sewers (Feet)         | 4,000.0            | 4,000.0     | 4,000.0     | 4,000.0     | 4,000.0     |

Source: Various City Departments

TABLE 22

| Fiscal Year |         |         |         |         |
|-------------|---------|---------|---------|---------|
| 2015        | 2016    | 2017    | 2018    | 2019    |
| 1.0         | 1.0     | 1.0     | 1.0     | 1.0     |
| 24.0        | 25.0    | 28.5    | 37.0    | 37.0    |
| 1.0         | 1.0     | 1.0     | 1.0     | 1.0     |
| 26.0        | 26.0    | 27.0    | 27.0    | 27.0    |
| 39.5        | 39.5    | 43.0    | 43.0    | 43.0    |
| 1.0         | 1.0     | 1.0     | 5.0     | 5.0     |
| 24.0        | 24.0    | 69.5    | 69.5    | 69.5    |
| 1.0         | 1.0     | 2.0     | 2.0     | 2.0     |
| 1.0         | 1.0     | 1.0     | 1.0     | 1.0     |
| 2.0         | 2.0     | 2.0     | 2.0     | 2.0     |
| 1.0         | 1.0     | 1.0     | 1.0     | 1.0     |
| 208.0       | 208.0   | 208.0   | 208.0   | 208.0   |
| 39.5        | 39.5    | 39.5    | 39.5    | 39.5    |
| 47.5        | 47.5    | 47.5    | 47.5    | 47.5    |
| 4,000.0     | 4,000.0 | 4,000.0 | 4,000.0 | 4,000.0 |



## COMPLIANCE SECTION



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

To the City Council and management  
City of Leon Valley

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Leon Valley as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise City of Leon Valley's basic financial statements, and have issued our report thereon dated February 3, 2020.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered City of Leon Valley's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Leon Valley's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Leon Valley's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

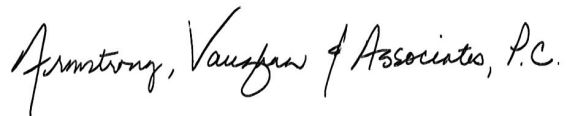
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether City of Leon Valley's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

February 3, 2020

